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# China Report

RED FLAG

No 10, 16 MAY 1986

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## CHINA REPORT

### RED FLAG

No. 10, 16 MAY 1986

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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ATTACH MAJOR IMPORTANCE TO BUILDING CONTINGENTS.

Beijing RED FLAG in Chinese No 10, 16 May 86 p 2

["Forum"]

[Text] XINHUA news agency has filed a news item reporting that some traffic officers in the counties of Lintong and Changan, Shaanxi Province, abused their authority in stopping cars, and the provincial communications department took measures to deal with those "bullies on the road," who are officers subordinate to the department. To be sure, this report refers to a specific event occurring in a specific place; however, as a specific phenomenon in certain trades, the unhealthy tendency reflected by this event is in fact rather prevalent. It indicates that one of our tasks of top priority is to strengthen the education and training of our ranks of workers.

The majority of Chinese workers is of good quality. However, as we are now facing very complicated and arduous tasks and our ranks of workers are being largely renewed, both their political and vocational qualities no longer meet the needs of the new situation and the new tasks. In order to ensure that their own reform and construction will be carried out smoothly and to help to fulfill the Seventh 5-Year Plan, all departments and units must earnestly strengthen the building of their ranks of workers, while doing a good job in their vocational fields.

Upgrading the political quality of the ranks of workers is a task of prime importance in strengthening the building of the ranks of workers. As we have mentioned above, unhealthy tendencies have been witnessed as specific phenomena in certain trades. The masses have criticized some of our departments and units for "taking advantage of the mountain when living near the mountain and taking advantage of the river when living near the river," namely, making use of their power (for example, their power to dispose of human, financial, and material resources) to seek personal interests. In "taking advantage of the mountain and the river," they are in fact taking advantage of the state and the people. Furthermore, some units or individuals have even gone so far as to "take advantage" of the state and the people by hook or by crook, fully ignoring the interests of other departments, other units, and the masses, as well as the interests of the whole. We can find this phenomenon not only in some leading organs but also in all walks of life. This highly corrosive tendency must be dealt with seriously. Our leading

organs and principal leading cadres must also take the lead in eliminating unhealthy tendencies as specific phenomena in certain trades. Only when their own work style is rectified can our leading organs efficiently exercise leadership in handling issues relating to departments and units subordinate to them and truly carry out the policies. This is a very difficult task which can only be accomplished through repeated and persevering efforts to develop education and enforce discipline.

Upgrading the political quality of the ranks of workers can mean many things, such as the idea of wholeheartedly serving the people, the courage to act as pioneers and to blaze new trails, a down-to-earth and hardworking style, a high sense of discipline, a high standard of vocational ethics, and so on. Of these requirements, the most important are the lofty ideal of communism and the profound understanding of one's responsibility to strive for the prosperity of the country and the well-being of the people. With such a spiritual pillar, one will have pure, correct, and firm faith to support oneself and thus will be able to more readily resist corrosion and evil tendencies. The spirit of blazing new trails is in keeping with the down-to-earth and hardworking style, and they cannot be separated. In the past, we waged the revolutionary war and built up our bases. Our struggle at that time was both the brave pioneer job and hard work that cost blood and sweat. We must carry forward this revolutionary tradition and apply it to our practice in the new period.

Upgrading the vocational standard of our ranks of workers is equally important. As the attempt to build socialism with Chinese characteristics is a completely fresh undertaking, all walks of life will encounter a host of new cases and new problems. Some practices with which we have long been familiar are no longer applicable and some others need to be revised and developed. Meanwhile, we must also make the best use of our time to learn many things about which we know little. Some young people must even start from the very beginning with a view to laying down a solid foundation. Without sound knowledge of one's vocation and good ability, one can hardly do a good job in one's position, and will fail to make contributions to the four modernizations. We must encourage our workers to study hard, to cultivate a mentality of keen pursuit of knowledge, to study the basic principles of Marxism, culture, vocational knowledge, science and technology, and the advanced management know-how of China and foreign countries, and to emulate outstanding figures on various fronts as well. So long as all of us, from the leadership to the grass roots, thoroughly understand the urgent need of educating and training the ranks of workers, attach importance to and engage in this task, and thus foster a powerful contingent that has both political integrity and strong vocational ability, we will have a genuine guarantee of the success of our socialist modernization.

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IMPROVING THE QUALITY OF PARTY MEMBERS IN AN ALL-ROUND WAY IS THE SOLID FOUNDATION FOR EFFECTING A FUNDAMENTAL TURN FOR THE BETTER IN PARTY STYLE

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 3-14

[Article by Zhang Yun [4545 5686]]

[Text] Correcting party style has recently become a major event in the political life within our party. At the beginning of this year, the CPC Central Committee made a further important policy decision on starting party rectification from the central party, government, and army organs and Beijing municipality. The decision also called on the departments directly under the central authorities and all party members of the capital to take the lead in correcting party style and set an example for the whole nation. The news buoyed up the spirit of the majority of comrades of the party. In view of the great determination of the CPC Central Committee, the comrades who were extremely worried about the party's future also enhanced their confidence in effecting a favorable turn in party style.

How, then, should we effectively correct party style so as to consolidate and develop the fine style of our party? Over the past few months, I made some special investigations and studies on the matter and probed the gains and losses of the recent party rectification work of certain localities. I deeply realized that our party style should be corrected both within and without, and the stress should be put on effecting a permanent cure, that is, improving the quality of party members in an all-round way.

#### Party Spirit, Quality of Party Members, and Party Style

Lenin, the great proletarian revolutionary teacher, had the following famous dictums: "We do not need nominal party members even as a gift. Our party, the party of the revolutionary working class, is the only government party in the world which is concerned not in increasing its membership but in improving its quality, and in purging itself of 'self-seekers.'" "We should leave in the party only politically enlightened elements who are sincerely devoted to communism," and adopt various measures at the same time "to purge the party of those who are only 'out for' the benefits accruing to membership of a government party and do not want to bear the burden of self-sacrificing work on behalf of communism." ("Selected Works of Lenin," Vol 4, p 76)

"Improving the quality of party members" emphasized by our party coincides with that emphasized by Lenin.

Our party was founded according to the party building principle of Leninism. It has always taken note of vigorously and prudently expanding its ranks amid struggles and ensuring the fine quality of its members under very strict conditions. The history of our party has proved that only by doing this can we maintain the nature of our party as the vanguard of the working class, keep it close to the masses, preserve the fine revolutionary tradition and party style, retain undaunted and all-conquering combat effectiveness, and prove to be a loyal representative of the people of all nationalities and the core of leadership of China's socialist cause. If we slacken our efforts and are negligent in this regard, the quality of our party members will decline drastically, the combat effectiveness of our party will be weakened, the prestige of our party will be impaired, and the party's cause will suffer losses and setbacks. For this reason, we should not lightly treat the question of improving and ensuring the quality of party members.

What qualities should our party members possess? Generally speaking, they include the following which are interrelated and also different from each other: First, the party spirit inherent in our party; and second, the subjective conditions every party member should possess to do his job well, fulfill the mission assigned by the party, and contribute to the party and people, that is, the political, ideological, cultural, and professional qualities each party member should possess.

Regarding the question of party spirit, I mentioned it in a special article written before. I summarized the hallmarks distinguishing our party from other political parties into the following: A scientific world outlook, lofty ideals, fundamental purpose, iron discipline, the mass line, and self-criticism. It should be emphasized that party spirit is the essence and soul of party members. It goes without saying that party members should regard the party spirit of the CPC as their own. Without party spirit, they would not be qualified to be party members. If they lack party spirit, they will not be able to fulfill the duties of party members and give full play to their exemplary role. Consequently, they will not be entitled to be qualified party members. There is no end to enhancing party spirit. We must follow the example of Comrade Zhou Enlai and live and learn. Only by doing so can we be worthy of the name communist throughout our lifetime.

What are the specific contents of political, ideological, cultural, and professional qualities of party members?

Political quality includes the following: Adhere to the four basic principles and resist and fight against the decadent ideas of feudalism and capitalism. Retain unity with the CPC Central Committee politically, follow the party's line, principles, and policies faithfully, and never pretend compliance or act as one pleases. Value and maintain the unification and unity of the party and never practice factionalism or carry out nonorganizational activities. Abide by the party's organizational principle of democratic centralism scrupulously and never adopt the method of letting one man alone

have the say toward the lower and same levels or practice decentralism toward the higher levels. Observe party and government discipline and state laws and never seek personal privileges, abuse power, or neglect discipline and laws. Remember that a party member is always one of the laboring people, and should maintain close ties with the masses and share weal and woe with them, and never act like an overlord or consider himself superior to others. Be open and aboveboard, think and act in the same way, and never conceal one's political viewpoint, resort to double-dealing, or barter away principles.

Ideological quality includes the following: Uphold the ideological line of seeking truth from facts and never practice idealism or metaphysics. Carry forward the spirit of communism and collectivism, proceed in all cases from the interests of the party and people, and resolutely forsake individualism, liberalism, and anarchism. Foster the idea of being the master of one's own affairs and break with the hired hand mentality. Serve the people and revolution wholeheartedly, work selflessly for the public interest, and never seek private gain at public expense, harm others to benefit oneself, abuse power to seek personal gain, or forget honor at the sight of profits. Persist in the lofty sentiments of a communist, scrupulously abide by communist morality, and never seek vulgar interests. Carry forward the devoted spirit of fearing neither hardship nor death and never try to seek ease and comfort. In a word, a communist should conscientiously transform his subjective world while transforming the objective world, carry out active ideological struggle, resist and eliminate nonproletarian ideas of every description, and foster the proletarian outlook on world and life.

As far as cultural quality is concerned, a communist should adapt himself to the needs of the new tasks of the party in the new period and study hard and master modern scientific and technological knowledge. Not long after the victory of the October Revolution in Russia, Lenin said: "A communist society cannot be built in an illiterate country." ("Selected Works of Lenin," Vol 4, p 357) During the revolutionary war years in China, Comrade Mao Zedong also said: "An army without culture is a dull-witted army, and a dull-witted army cannot defeat the enemy." ("Selected Works of Mao Zedong," Bound Volume, p 1009) At present, when the whole party is advancing toward the building of socialism with Chinese characteristics, Comrade Deng Xiaoping emphatically pointed out: The fundamental purpose of building socialist spiritual civilization is to enable the broad masses of the people to have lofty communist ideals, morality, better education, and a sense of discipline. All this shows the importance of improving the cultural quality of party members.

Regarding professional quality, a communist should strive to be proficient in whatever job he is given and constantly improve this work. Party members of all trades and professions should be familiar with their work and master the knowledge and skill required for certain fields. Party cadres assuming leadership should be good at taking the whole situation into account and possess the organizational art of leadership. The comrades in charge of economic work should particularly study and master the skill of exercising scientific management over modern enterprises and institutions.

The political, ideological, cultural, and professional qualities of party members form into a whole and none of them can be dispensed with. They can be summarized into "being both Red and expert" or "having both ability and political integrity." It must be emphasized here that a communist should put enhancing party spirit and improving political and ideological qualities in the first place. On this basis, the party encourages and supports all its members to improve their cultural and professional qualities, develop their strong points, and be proficient in a special field. This is similar to putting "more revolutionary" in the first place of the "four requirements" for cadres. The tendency of putting undue stress on cultural and professional work at the expense of political study and ideological transformation that appeared some time ago deserves attention. If we fail to curb this tendency, the people we have trained may lose their political bearings and go astray!

The political and ideological qualities of party members are the principle of party spirit manifested in practice. By carefully observing the political and ideological qualities of a party member, you can easily judge his party spirit. The political and ideological qualities of party members are also closely linked with party spirit. Some years ago, I drew the following conclusion: "Party spirit determines party style, party style reflects party spirit, and party spirit is the expression of party style." After acquiring an understanding of the relations between political and ideological qualities and party spirit, we can also say that party style reflects the political and ideological qualities of party members or is the expression of the political and ideological qualities of party members. Party members with a strong sense of party spirit and high political and ideological qualities are "immune from diseases." Like lotus emerging unstained from the filth, they can withstand material and money incentives and other sugar-coated bullets, and brave the storms. They have maintained fine party style and embodied the heroic image of communists, and have won honor for the party and brought credit to the state. Outstanding party members like this can be found everywhere. Party members with inferior political and ideological qualities who lack a sense of party spirit are "not immune from diseases" and are actually "carriers." They forget honor at the sight of profits, catch cold easily when they encounter unhealthy tendencies, and engage in dishonest practices. They cannot withstand material and money incentives and sugar-coated bullets. They have brought disgrace on the party and state, impaired the prestige and image of our party, and hindered the party's cause. Although these party members who are unworthy of the name constitute a minority, they may cause great harm just like a rotten sheep infecting the whole flock!

The positive and negative experiences concerning party style have taught us that we must adopt the following two measures to correct party style: First, starting with checking unhealthy tendencies, plugging loopholes, and earnestly investigating and dealing with the important and major lawbreaking cases, party and government organs should lay down hard and fast rules on the major problems concerning party style and ensure strict execution of the rules. Second, make unremitting efforts to enhance party spirit and improve the quality of party members and strike at the root of the matter to achieve the anticipated results, thus laying a solid foundation politically and

ideologically for correcting party style and effecting a favorable turn in party style.

#### The Status Quo of the Quality of Party Members

Our party has a total of over 42 million members distributed in more than 2 million grass-roots branches of various localities and trades throughout the country. What about the quality of this large contingent of party members?

Let us first examine some findings. Some of them are related to party members and some are a mixture of grass-roots party branches and party members. The findings indicate some problems. For example, Beijing municipality made a sample survey of 1,949 party members of 138 urban and rural grass-roots branches in June last year. Of the total, party members who set strict demands on themselves, gave full play to their exemplary role, and set an example for the masses accounted for 36 percent; those who basically performed the duties of party members but failed to play an exemplary role accounted for 52 percent; those with poor behavior and many problems who could not even fulfill the duties of party members accounted for 10.5 percent; and those imbued with individualism and anarchism who violated law and discipline, exerted an adverse influence among the masses, and were not even qualified to be party members accounted for around 1.5 to 2 percent. Here is another example. During last June and July, Hebei conducted a sample survey of 70,000 party members of 2,400 urban and rural grass-roots party branches. The survey indicated that the fine and relatively good branches and party members accounted for around 35 percent; the ordinary branches and party members in the middle accounted for around 45 percent; and the paralyzed or semiparalyzed branches and unqualified or basically unqualified party members accounted for around 20 percent.

The above findings include both urban and rural areas. What about the situation in the countryside alone? According to an investigation made by Jiangsu last year, of the rural party members throughout the province, those who played an exemplary role accounted for around 40 percent; those in the middle accounted for around 50 percent; and those with poor behavior accounted for around 10 percent. According to the analyses of the relevant central departments on the findings submitted by 19 provinces, autonomous regions, and municipalities, the grass-roots party organizations in the rural areas that were able to properly implement the party's principles and policies, vigorously carry out reforms, make remarkable successes in leading the masses on the road to prosperity, and play an exemplary role of a fighting bastion accounted for around 30 percent; those that could implement the party's principles and policies, develop commodity production, but could not give full play to their role as a fighting bastion and lacked pioneering spirit accounted for around 50 percent; and the weak and incompetent party organizations that failed to develop production or play the role of a fighting bastion accounted for around 20 percent (of this, the paralyzed party organizations with serious problems accounted for around 5 percent).

The comprehensive investigation of urban and rural areas or the investigation of rural areas alone shows that the proportion of advanced, middle rank, and backward party branches and members is more or less 30 percent, 50 percent, and 20 percent, respectively.

The above findings can also be proved by the development and changes in the situation in recent years. It is obvious to all that in the short period of 7 years or so since the 3d Plenary Session of the 11th CPC Central Committee, gratifying earthshaking changes have taken place within and outside the party and throughout the nation. With a vast scene of prosperity across the country, the people are full of vigor and are confident in the future. Thanks to the prompt measures adopted by the CPC Central Committee, the new problems arising from reform, opening up and economic invigoration are being resolved. The general trend of the development is healthy and normal. Just imagine: Had it not been for a long-tested, politically matured CPC Central Committee which proceeded from China's national conditions, correctly applied Marxism-Leninism-Mao Zedong Thought to guide China's revolution and construction, and set an example for the whole party; and had it not been for the majority of fine and relatively good party members who resolutely implemented the party's line, principles, and policies in all fields of work and who led the people in advancing toward the four modernizations, would it have been possible to create the current favorable situation?

Nevertheless, the above findings also indicate the seriousness of the following question: The quality of the large contingent of party members is uneven. The political and ideological qualities of a considerable number of party members are relatively poor, and some even worse. Although we have made efforts in recent years to correct party style, we have not yet effected a fundamental turn for the better. Therefore, we must continue to make strenuous efforts to carry out party rectification.

Bureaucratism, abusing power to seek personal gain, establishing relationships, and putting money above everything else, namely, the four major epidemics are serious unhealthy tendencies prevailing within the party. They are the principal aspects of all unhealthy tendencies which give rise to unhealthy tendencies of every description. The party spirit and political and ideological qualities of a party member can easily be judged from whether or not he is infected by the four major epidemics and from the extent of his infection.

Bureaucratism is the scourge of a party in power. A number of party members assuming leadership work are more or less tainted with bureaucratism. The manifestations of bureaucratism, though varied, have a common characteristic: People tainted with bureaucratism are divorced from reality and the masses and they lack a sense of political responsibility to the cause of the party and people. Bureaucratism, when developed to a serious extent, constitutes the guilt of dereliction of duty. In the work of our party and government, there are numerous cases of appalling economic losses and adverse political influence caused by certain leading organs and cadres due to serious bureaucratism and dereliction of duty. The harm caused by these cases is shocking. Furthermore, it is an "insidious disease." Some bureaucrats fail to realize their bureaucratic practices simply because they are tainted with bureaucratism,

yet they have an easy conscience and enjoy doing so. During the first stage party rectification, RENMIN RIBAO reprinted "Combat Bureaucracy" written by Zhou Enlai in 1963. The article made a most telling exposure of the dis-honorable practices of bureaucratism. It is a pity that it failed to draw the attention of various quarters at that time. Although bureaucratism was mentioned, it was not dealt with in earnest. In my opinion, we must make up for the missed lesson. In order to combat bureaucratism, we cannot merely pay lip service or combat it quietly with the doors closed. We must create public opinion, enumerate the manifestations of bureaucratism, analyze their harm, suit the medicine to the illness, and strike a heavy blow at the bureaucrats so that they can wake up with a start and thoroughly rectify their errors.

Abusing power to seek personal gain is also very common. Party members assume power more or less at various posts. Although the majority of comrades can treasure the power granted by the people and correctly exercise the power to serve the people, some party comrades with poor qualities and impure party spirit, including certain leading cadres at the higher levels and those in charge of money, materials, water, and electricity at the lower levels, may abuse their power, regard it as a ready source of money or the "means" to seek various "advantages," and abuse whatever power they have to seek personal gain! This "epidemic disease" harms the party, the state, and the people infected! Although decent people are disgusted by the disease, they are forced to keep their resentment to themselves for fear that if they expose and resist the "disease," they will suffer revengeful retaliation. The broad masses usually regard it as much more than a violation of discipline by a handful of party members, thus arousing dissatisfaction against the party. The "disease" impairs the prestige of our party and also dampens the enthusiasm of the masses in building the four modernizations. Those who have abused power to seek personal gain will eventually come to no good end. Their practices will be exposed sooner or later and they are bound to be punished according to party discipline or state laws. Therefore, we advise them to give up the idea of leaving things to chance and honestly serve the people!

Establishing relationships and backdoor deals are also very popular nowadays. The sayings "Even though the official seal is as big as a bowl, it is not as good as a word from an acquaintance" and "If the front door is blocked, the matters can easily be arranged through the back door" are vivid descriptions of the practice of establishing relationships. At present, when certain localities are investigating and handling the major and important cases, there are always people from the higher to lower levels who try to shield the guilty persons and intercede for them. They place all sorts of obstacles to the work, thus making it very difficult to handle the cases. Owing to the practice of "appointing people by favoritism" of certain leading cadres, it becomes difficult for some units to "appoint people on their merits" and to select cadres in a fair manner. In places where the practice of "establishing relationships" is running wild, the rules and regulations are ignored and you can do nothing by following them. In a word, those who are infatuated with "establishing relationships" proceed in all cases from the interests of the individual or small groups. They stand for personal

sensibilities and relationships rather than principles and the interests of the party and people. They regard the normal relations and contacts between organizations and among people as relations in which each makes use of the other. Naturally, many of our comrades are against "establishing relationships." But they sometimes have no choice but to follow the practice. This should never be regarded as a normal phenomenon and be recognized. Some decent comrades fail to stick to principles sometimes for fear of hurting the feelings of others. Tricked by bad elements, they may even serve as cat's-paws unintentionally. Haven't there been numerous lessons like these in recent years? We must resolutely oppose, resist, and eliminate the practice of "establishing relationships" because it is incompatible with our party spirit and the proper qualities of our party members!

Some party members are "infected" by the "epidemic disease" of "putting money above everything else" due to their weak party spirit, poor qualities, and failure to withstand material and money incentives in social life. These people have forgotten the pledge made while joining the party to dedicate their lives to the struggle for communism and the fundamental purpose of wholeheartedly serving the people. Despite the interests of the party and people, they plunge themselves into the money world and are unable to extricate themselves. Some regard themselves as commodities and hired laborers and speak plausibly of "work according to the pay." Some vie with others for more wages and bonuses and higher positions. Some party members who are imbued with individualism try by every means to make profits and eventually take the road of committing economic crime. Nevertheless, the quality of the majority of our party members is relatively good. They set strict demands on themselves according to the requirements for party members and strive to contribute more and serve the people. They never make presumptuous demands or seek ill-gotten gains. Even when people with the same qualifications and abilities as theirs are promoted, they remain the same as before, correctly exercise restraint, and never try to vie with others for advantages. Thus it can be seen that to prevent the "epidemic disease" of "putting money above everything else," it is absolutely necessary to strengthen party spirit and improve the political and ideological qualities of party members.

Now the whole party is exerting great efforts to correct party style. In my opinion, the four main unhealthy tendencies mention above should first be checked and eliminated.

The current problems of cultural and professional qualities and age structure of party members are also outstanding. According to the 1984 year-end statistics of the relevant central departments, party members with university, technical secondary school, and senior secondary school education comprised only one-fifth of the total number of members of the whole party; and those with junior secondary school and primary school education and those who are illiterate accounted for nearly four-fifths of the total! We must emphasize here that these figures are prepared after various units have recruited outstanding intellectuals to the party in recent years under the call of the CPC Central Committee.

Cultural quality is closely related to professional quality. A low cultural level will hinder the improvement of the professional level as well as the political and ideological qualities. Even those with a relatively high level of cultural and professional qualities have to face the problem of updating knowledge and technology. As to the worker and peasant party members who are working in the forefront of production, their educational level is much lower. The latter part of the statistical figures mainly indicate the situation of party members of this group. Owing to their low educational level, some rural party cadres in Hebei Province made fools of themselves while studying central Documents "No 1" promulgated in recent years. How did they acquire an understanding of the documents? The first document was "individual farming"! The second one was "15 years"! The third one was "the abolition of the system of state monopoly for purchase and marketing"! They remembered one word from each document. Actually, some even misunderstood the word they remembered. The party made the call of "scientific farming," but some party members were anxious and could not take the lead because of their low educational level. In the factories, mines, and enterprises of various cities, it is also common that worker party members cannot master new technologies or operate the new and modern equipment.

The aging of the ranks of party members, that is, the large number of old and middle-aged party members and limited number of young party members, is also a question not to be neglected. According to the 1984 year-end statistics compiled by the relevant central departments, party members under the age of 25 accounted for less than 4 percent of the total. Even if party members of the age group 26 to 30 are added, this only accounts for 14 percent of the total. Reports from Beijing and Hebei indicate that there are very few young party members working in the forefront of production in urban and rural areas. Furthermore, there are only a handful of party members from among students of some universities and colleges. As far as an individual is concerned, the aging of the ranks of party members accords with the law of nature. He should give his all till his heart stops beating. Regarding the whole party, if we fail to make the necessary readjustment and replenishment and add new blood to the party, it will be disadvantageous to ensuring the continuity of the party's cause and to maintaining and enhancing the party's combat effectiveness.

To sum up, the main aspect of the party ranks is good. But the defects that exist are serious. The quality of party members is uneven. There are a few advanced, a few backward, but the majority are middling. For this reason, the tasks to educate and improve the party ranks are arduous and pressing.

Can we say that the quality of the contingent of party members at present is inferior to that of the past? The quality of party members who have joined the party at different periods is stamped with the brand of the specific times. Party members of each period have their strong points as well as shortcomings. We should not treat them all as the same. Generally speaking, compared with the 1950's and 1960's, party members of the 1980's have increased their abilities in distinguishing genuine Marxism-Leninism and socialism from sham ones as a result of summing up positive and negative experience, undergoing the course of setting things to rights, and taking

part in the practice of reform, opening up, and economic invigoration in recent years. They have enhanced their spirit in seeking truth from facts, independent thinking, and blazing new trails and have done away with superstitions and conventional ideas and acted less blindly. Although the cultural setup of the ranks as a whole is not yet ideal, the educational level of party members is indeed higher than the past. However, a considerable number of party members are not as good as those of the past in respect of party spirit, a sense of organizational discipline, the spirit of dedication and a sense of political responsibility to the party's cause, the style of plain living and hard work, the exemplary role of party members, and the awareness in ideological transformation. Imbued with individualism, some party members have reversed the order of the interests between the individual and party and have regarded it as an honor to vie with one another for fame and gains. These things were seldom seen within the party in the past. This is the fundamental reason for the difficulties in checking the unhealthy tendencies prevailing within the party.

How did the above-mentioned qualities and status quo of party members and their behavior in party style take shape? I am not going to dwell on the matter because the party rectification documents issued by the CPC Central Committee have already thoroughly accounted for it in terms of the nature of inner-party work. The reasons from society and history are also not to be neglected. China was reduced to a semicolonial and semifeudal society for more than a century following the feudal society which lasted for several thousands of years. But our socialist system was founded less than 40 years ago. The individualistic outlook on life characterized by "heaven will destroy men who won't look out for themselves" and seeking position and wealth in feudal society has become force of habit affecting many people. We have implemented the open policy in recent years. It is indeed a good thing. However, as Comrade Deng Xiaoping said, while we have opened the window for fresh air, flies and mosquitoes will also come in--the declining capitalist ideas of the Western world and decadent life style will corrupt our society. These things that exist in society will inevitably find expression within the party. Once they are accepted by those party members with poor qualities and weak party spirit, they will be expressed as unhealthy tendencies of every description within the party and may even cause some party members to degenerate! This shows that although party spirit and the quality of party members determine party style, the general mood of society can also affect party spirit and the quality of party members. Nevertheless, so long as we strengthen the work of enhancing party spirit and improving the quality of party members within the party so that the party members are immune from diseases, we will be able to resist and prevent the unhealthy tendencies arising from society and also effect a favorable turn in the general mood of society. With party style and the general mood of society acting on and helping each other and with the measures taken to sternly attack criminal activities, we will certainly be able to realize a fundamental turn for the better in party style and the general mood of society.

The task of correcting party style and effecting a favorable turn in party style will be a protracted and arduous one which cannot be accomplished

overnight because the unhealthy tendencies within the ranks of our party have their complicated subjective and objective reasons and historical sources. In order to correct party style, we must be determined to fight a "protracted war" rather than fight and stop intermittently. Otherwise, it will encourage the vicious cycle of unhealthy tendencies. Only by making unremitting efforts can we thoroughly solve the problem.

#### How To Improve the Quality of Party Members in an All-Round Way

To improve the quality of party members in an all-round way, it is necessary to start with the following two things: First, party organizations must take care of party affairs and second, it is necessary to inspire all party comrades to enhance party spirit and willingness to improve the quality of party members, and moreover, it is also necessary to impose discipline as a supplement and strengthen supervision over party members.

##### 1. On party organizations taking care of party affairs.

Comrade Hu Yaobang put it well when he said at a meeting attended by cadres of central organizations held on 1 January of this year: "For quite some time, there has been a force of habit: If something goes wrong, more often than not, blame is exclusively put on people at the lower levels instead of seeking the cause first from leading bodies. On many occasions, this is a reversal. It is necessary to reverse the confused truth and falsehood." In approaching problems from this point of view, it must be said that the long-standing failure to make a distinction between the functions of the party and those of the government and for party organizations to take care of party affairs, and especially the failure to impose sufficient and strict supervision over leading organs and cadres is closely related to the negative factors and unsound practices existing within the party as mentioned above. Since the 3d Plenary Session of the 11th CPC Central Committee, in particular, since the party rectification was conducted, there have been some gratifying changes in the above-mentioned state of affairs. However, while conducting investigations, I found that some localities took fairly good care of matters concerning leading bodies and cadres while party rectification was being carried out but they would not do so the moment party rectification was finished. It can thus be seen that to thoroughly get rid of the old habit of party organizations not taking care of party affairs and to really and unremittingly take care of party affairs, continued efforts are still needed.

To improve the quality of party members in an all-round way, in taking care of party affairs, what affairs should be handled in the main and how should party organizations handle them? As I see it, close attention should be paid to the following key links: Strengthening inner-party education work, vigorously promoting the building of primary party branches, ensuring the sound recruitment of new party members, and encouraging party organizations to make simultaneous efforts to take care of CYL affairs.

The first link is strengthening inner-party education work.

Attaching importance to inner-party education work has always been one of our party's fine traditions. Even in the difficult revolutionary war years of the past, our party always tried every possible means to run party schools and training courses in party education, launched movements to rectify incorrect work styles and party organizations, and called on and organized party members to correct defects while studying so as to constantly improve the quality of party members. Now conditions in carrying out inner-party education work are very good when compared with those in the past. So long as party leading organs at all levels attach importance to inner-party education work, it can surely be carried out more effectively.

To meet the needs of the situation of reform, opening up to the outside world, and economic invigoration, prominence should be given to the following four areas in conducting education among party members in line with the present conditions of party members in terms of quality. First, it is necessary to conduct education in the party's fundamental purpose and to raise ideological consciousness so as to ensure party members serve the people wholeheartedly. Second, it is necessary to conduct education in communist ideals and the present party principles and policies, to combine lofty ideals with the objectives of current endeavors, and to raise the willingness of party members to adhere to reform and implement the party principles and policies. Third, it is necessary to conduct education in observing discipline and abiding by the law, to wipe out ignorance of law within the party, and to strengthen the awareness of party members on discipline and legality. Fourth, it is necessary to conduct education in culture, science, and professional skills and to strive to raise the cultural and professional levels of party members.

Inner-party education should be conducted promptly, systematically, and regularly and with a clear objective in mind and stress on practical results. First, it should be conducted with a clear objective in mind, suiting the remedy to the case. For example, some localities selectively conduct education among new party members, in particular, young party members, in elementary knowledge about the party and the party's fine traditions and in work styles in the light of the ideological characteristics and problems cropping up in the work of party members of all types in the new situation, so that they can foster a correct world outlook and correct outlook on life; education among middle-aged party members, in particular, middle-aged party cadres and the young party cadres who have been promoted to leading bodies, in building a party serving the interests of the vast majority and being in power in the interests of the people so that they can use their power properly and have a correct attitude toward money; and conduct education among old party members, in particular, retired party cadres, in the current situation, the party policies, and in fostering the idea of encouraging retired cadres not to "retire" ideologically so that they can have a clear picture of the situation, support the reforms, observe discipline and abide by the law, and maintain their political integrity in their later years. Compared with the practice in which inner-party education is conducted indiscriminately among all party members, this way of doing things will produce much better results. Second, inner-party education should be conducted promptly. In other words, our leaders are required to go deep into

the realities of life to promptly discover suggestions of ideological problems among party members and tendentious problems in a certain period of time, to conduct education without delay, and to try their best to solve problems in the embryonic stage. They should not be indifferent to problems at ordinary times and wait until problems pile up seriously before trying to completely solve them using "a highly effective remedy." Third, inner-party education should be conducted scientifically. To conduct a more systematic education among party members in basic Marxist theory and elementary knowledge about the party and knowledge about related sciences and technology, it is necessary to discard the previous practice in which no plan was worked out in ordinary times and efforts were only made at the last moment, to concentrate our efforts on transforming the world outlook of party members and raising their theoretical level and deepening their understanding of policies, and to conduct inner-party education in depth, proceeding from the easy to the difficult and in an orderly way and step by step. Fourth, inner-party education should be conducted regularly. That is to say, inner-party education work should be regarded as a fundamental task for a long time to come. Unremitting and regular efforts should be made to carry out the work both during and after the party rectification, with both long-term and short-term plans. As revealed by the experiences created by some localities, the conducting of education among party members should not be confined to the form of giving a centralized training in rotation to party members group after group at different times and instead, it should be conducted through various channels and forms.

By improving the quality of party members, we also mean improving the quality of party cadres. As everybody knows, cadres are a decisive factor. Once the political line is determined, what should cadres rely on in playing a decisive role? They should mainly rely on party spirit and their own quality. The quality of cadres is the fundamental condition determining whether they can become a decisive factor in their work. Therefore, it is necessary to put the improvement of the quality of cadres high on the agenda of party organizations taking care of party affairs.

The second link is vigorously promoting the building of primary party branches.

As the primary organization of the party, the party branch is a school where party members study Marxism-Leninism-Mao Zedong Thought and the party line, principles, and policies; a place where all party members hold regular organizational activities, conduct criticism and self-criticism, strengthen their party spirit, and improve their quality. Particularly important, the party branch is always in the front line of revolution and construction and like a brigade in the army which fights directly in the forefront, it is "the militant bastion of the party in the basic units of society." A powerful primary party branch provides a solid foundation for the leadership of the party and a reliable guarantee for its cause. Therefore, strengthening the building of primary party branches must always be regarded as an important topic in party building. We must not ignore and slacken our efforts in this respect at any time.

What is the function of the party branch as a militant bastion? In accordance with the requirements set by the party Constitution for primary party organizations, the party branch should strengthen education and supervision over party members, wage struggles against the erroneous ideas and deeds cropping up within the party, and ensure the implementation of the party line, principles, and policies and the completion of the various tasks of the party, and at the same time, it should also teach party members and the people to heighten their political vigilance and to wage struggles against the criminal activities carried out by counterrevolutionaries and other saboteurs and against various ugly phenomena and unhealthy practices in society, prevent various nonproletarian ideas from making inroads on and corroding the party and counterrevolutionaries and opportunists from sneaking into the party so as to safeguard the purity of party organizations and maintain the fighting power of the party.

In what way should a primary party branch be built so that it can play the role of militant bastion? While conducting investigations in Beijing and Hebei Province, I came into contact with party branches of three different types--the good, the intermediate, and the poor. By comparison, I got a deep impression: The key to whether or not a party branch can play the role of a militant bastion lies in whether or not there is a good branch committee which is up to the requirements set by the party Constitution, in particular, a good branch secretary. This is in compliance with the two Chinese sayings: "The valiant general has no weak soldiers under his command" and "a soldier can only play an individual role, be he as brave as a brown bear, while a general of tremendous bravery is capable of making all his men as brave as brown bears."

My investigation materials reveal that the members of an advanced party branch committee which really plays the role of a militant bastion have the following 10 distinctive characteristics: 1) Members of the party branch committee are relatively strong in party spirit and sound in quality and can review some important party documents, party stipulations and regulations, and their own application forms for party membership and pledges when joining the party and work together as one man in accordance with party principles. 2) Members of the party branch committee, especially its secretary who has a good democratic work style, can take the lead in carrying out criticism and self-criticism and being upright and honest, they can set an example in all aspects for other party members. 3) The party branch has a relatively sound work system and can persistently carry out the practice of "three meetings and one lecture" (general membership meeting of the party branch, meeting of the branch committee, and meeting of the party group as well as the party lecture) throughout the year instead of regarding it as a mere formality. 4) The party branch can pay close attention to the supervision and education of party members, has the courage to supervise party members and knows how to do so, can enforce discipline unambiguously and mete out due rewards and punishments without delay and consequently, healthy trends prevail in the party. At the same time, it can lead party members in waging struggles against the bad habits, unhealthy practices, and evildoers and evil deeds in society. 5) The party branch has correct guidelines on all fields of work and can proceed from actual conditions in carrying out

production and construction and in doing work in all fields, and act according to party policies rather than issuing confused orders, acting rashly, feigning compliance to the higher authorities, and going its own way.

6) Not conservative, the party branch is full of vigor and highly receptive to new things and quite capable of breaking new ground in its work. It can frequently compare its own work with that of party branches in and outside the locality and is good at overcoming its weaknesses by acquiring others' strong points and modestly learning from others' experiences both positive and negative. 7) By refraining from taking on everything concerning administration, the party branch, in particular, its secretary, can establish quite normal relations with government organs. The party and government organs share out the work and cooperate with each other, each supporting the other. Consequently, production, work in all fields, and the building of material and spiritual civilization have progressed considerably. 8) The party branch can carry out the work of recruiting new party members in a planned and well-prepared way and in line with the requirements set by the party Constitution, constantly adding fresh blood to the party. 9) The party branch pays close attention to strengthening leadership over the trade union, the CYL, and the women's federation, and other mass organizations and is good at helping and cooperating with them in pushing the work forward. 10) The party branch institutes and carries out a "contract responsibility system" under which the work is shared out with branch committee members being responsible for maintaining links with other party members and party members responsible for maintaining links with the masses. It also encourages party members to appraise the branch committee and the masses to appraise party members through discussions at regular intervals. As a result, the relationship between party members is intimate and that between the party and the masses is quite close; the party branch and party members have fairly high prestige among the masses and can lead the masses and play the role as a vital new force in production, construction, and work in all fields.

It is precisely in these respects that some primary party branches which were classified as "intermediate" or "not distinctively displaying a role as militant bastion" in the survey lagged behind considerably. Some of them were formerly qualified to become advanced party branches but they failed to make earnest efforts to do so. Members of some party branch committees, content to stay middling, did not dare to do what they ought to do, and did not carry out well the work they ought to. Having failed to match their deeds with their words and to set an example with their own conduct, some leaders lost their due prestige and authority among the masses. Others who had a poor understanding of policies and limited ability could not do ideological and political work. They also lacked the ability to organize and to lead. Still others who were used to the practice in which no distinction was made between the functions of the party and those of the government would always try to tackle all problems, if confronted, at once regardless of their relative importance. The result was "although they have worked others' private plots, they left the farmland they contracted uncultivated." There is even less need to discuss the tiny number of paralyzed, semiparalyzed, and problem-ridden primary party branches.

In the last few years, apart from stepping up efforts to reorganize primary leading bodies in accordance with the requirements of "four transformations" of cadres, leading party organizations in quite a few localities have trained in rotation party branch secretaries and branch committee members in a planned way and group after group at different times, frequently held meetings to exchange experience in the work of party branches, and chosen through public appraisal and commended advanced party branches and outstanding party members within certain limits. All these activities have played a very good role in strengthening the building of primary party branches.

I am confident that so long as we really put the building of primary party branches on the agenda of party organizations at various levels, conscientiously sum up and spread the good experiences gained in all localities, we can surely create large groups of first-class party branches which are up to the requirements set by the party Constitution. A first-class party branch can perform first-class work, achieve first-class successes, attain first-class results, and make first-class contributions in various fields of endeavor.

The third link is ensuring the sound recruitment of new party members.

It is necessary to recruit new party members in a planned, purposeful, active, and prudent way. The idea of "smaller quantity, better quality" should be given prominence. This is one task of the groundwork of improving the quality of party members in an all-round way. Due to reasons already known to all, in the past there were abnormalities in the work of recruiting new party members. The current serious impurities in ideology, work style, and organization existing in the ranks of party members are partly left over from the past practice. We must draw a lesson from it and apart from carrying out the party rectification work in real earnest, in our future work of recruiting new party members, we must stick to the principle of being active and prudent, strictly ensure the quality of new party members, and rigorously execute procedures for party membership so as to prevent those who are not qualified to be a party member from sneaking into the party while carrying out the party rectification. In our work of recruiting new party members, we must stress both macroscopic control and quality. While giving priority to admitting outstanding intellectuals into the party, we must recruit new party members from among the advanced youth and other advanced elements working in the front line of production. We must pay earnest attention to both the training of people keen on joining the party and the education of newly recruited party members. If we properly handle the relationship between quality and quantity, between key and ordinary prospective party members, and between joining the party ideologically and organizationally and rationally readjust the composition of the ranks of party members, we are well positioned to lay a sound foundation for improving the quality of party members in an all-round way.

The fourth link is encouraging party organizations to make simultaneous efforts to take care of CYL affairs.

In conducting investigations in Beijing and Hebei Province, almost none of the forum participants or individual comrades who briefed me on their situations touched on the CYL work. When asked of the work, they said that they either seldom took up matters concerning the work or were not too clear about the work. In other words, quite a few primary CYL organizations were soft, weak, and lax and the quality of CYL members was poor. They failed to play a role as the party's assistant. It can thus be seen that like the phenomenon in which party organizations do not take care of party affairs, that of party organizations not taking care of CYL affairs can be found almost everywhere.

The CYL is a mass organization of advanced young people under the leadership of the CPC; it is a school where large numbers of young people will learn about communism through practice; and it is the party's assistant and reserve force. Now the CYL has more than 50 million members throughout the country, much more than the country's number of party members. What a rich source of strength it is! If the CYL work is done well, the party's capable assistant will gain inexhaustible strength. If the quality of CYL members is raised and large numbers of good-quality members of the reserve force--outstanding CYL members--are continuously admitted into the party, the improvement of the quality of party members will be more widely assured. In my opinion, not only should CYL organizations at various levels take good care of CYL affairs, but party organizations at all levels should also strengthen leadership over CYL organizations and effectively supervise the CYL work while taking good care of their own affairs. In the party committee, someone must be put in charge of the CYL work. He should take up the work regularly and persistently. Party committees at various levels are encouraged to attach importance to this matter and to study a series of feasible methods and rules and regulations and then put them into effect.

## 2. On stimulating all party comrades to make further efforts to strengthen party spirit, to enhance their awareness of party members' quality, and to bring the exemplary vanguard role of party members into play.

In its chapter and relevant articles concerning "membership," the party Constitution clearly stipulates that the communists must be "vanguard fighters imbued with communist consciousness" and "play an exemplary vanguard role in production and other work, study and social activities." The CPC Central Committee has recently repeatedly stressed that the communists must set an example for the masses in various aspects of endeavor. This is in compliance with the above demands. It also serves as one of the important indicators for judging the quality of party members.

"Communists must play an exemplary role." This is easier said than done. Many party members are as good as their words. They can really practice or basically practice what they say. They have thus added luster to the party's image. However, there are also a considerable number of party members who are not so serious about fitting their deeds to their words. More often than not, they "issue statements without practicing them" or concentrate more frequently on flourishes while doing work but do less solid work. Some party members have even acted in a diametrically opposite way, thus

bringing shame on the party. To judge the soundness of a party member's party spirit and his political and ideological quality, it is necessary to see if and how he plays an exemplary vanguard role. Then this judgment will be impartial. Playing an exemplary vanguard role is the very least one expects of a qualified party member. Otherwise, what is the difference between party members and nonparty members?!

What is the exemplary vanguard role of party members? To sum up briefly, party members should take the lead in, and strive to do well what is beneficial to the party and the people and they should take the lead in resisting, and have the courage to struggle against what is harmful to the party and the people. On no account must they do such harmful things. Party members must be the first to respond to the party's call and strive to do well what the party calls or demands the masses of people to do. They must be the first to refrain from doing what the party calls or demands the masses of people not to do and educate and supervise others not to do such things. In either doing or not doing something, party members must think and act in one and the same way, fit their deeds to their words, and always set an example with their own conduct. We can count numerous specific manifestations of the exemplary vanguard role. For example, people often say "be the first to bear hardships and the last to enjoy comforts," "be the first to forge ahead and the last to retreat," "take the difficulties on oneself and make things easy for others," and "take the interests of the whole into account and sacrifice personal interests." These oft-quoted notions are naturally the requirements for party members. Again for example, in his article entitled "The Role of the CPC in the National War," Comrade Mao Zedong said: "Communists...should set an example in fighting bravely, carrying out orders, observing discipline, doing political work, and fostering internal unity and solidarity," and they "should set an example in being practical as well as far-sighted" and "should set an example in study." All these statements by Comrade Mao Zedong are still applicable. At present, we must particularly stress that, to build socialism with Chinese characteristics, communists should set an example in adhering to the four basic principles, faithfully implementing the party principles and policies, boldly breaking new ground in their work, keeping the whole situation in mind, building the country through hard work and thrift, and in working hard and overcoming difficulties in the new situation of reform, opening up, and economic invigoration. In day-to-day work and labor, communists should strive to become advanced workers and model workers with their outstanding practical achievements. In the building of the socialist spiritual civilization, communists should strive to set an example in the activities of "five stresses, four beauties, and three loves," in striving to become people with lofty ideals, moral integrity, education, and a sense of discipline, and in establishing "a five-good family" and boldly resist and oppose all kinds of unhealthy practices. When mishaps and serious disasters occur, communists should take the lead in rushing to deal with the mishaps and to help the people tide over the disasters. They should, regardless of their safety, rescue the lives and property of the state and the people, displaying the spirit of defying all difficulties in dedication to the motherland.

Whether or not a party member can really play this exemplary vanguard role chiefly depends on whether or not he can "look upon the interests of the revolution as his very life and subordinate personal interests to the interests of the revolution" and whether or not he is "more concerned about the interests of the party and the masses than personal interests and more concerned about others than himself." This embodies in the most concentrated way the party spirit and political and ideological quality indispensable to a communist. The more a party member has these morals, the better he can play an exemplary vanguard role.

To help the vast numbers of party members constantly strengthen party spirit, improve their quality, and play an exemplary vanguard role in various fields of endeavor, apart from the efforts exerted by party organizations to strengthen education among party members, it is also necessary to encourage every party member to step up self-education, self-remolding, self-cultivation, and self-study while building the two civilizations. From my practical experience over the years, I am confident that so long as the following methods are perseveringly applied, they are bound to produce the desired results:

First, "measuring oneself by the standards already set." The party Constitution, the "Rules of Conduct," and the state Constitution and laws as well as the CPC Central Committee's important policy documents, and major policy decisions and regulations are the standards and grounds for party members' actions and the yardstick for judging the right and wrong of their actions. It is a common failing now for people to go through the above-mentioned constitutions, documents, and regulations in a perfunctory way which fades away from people's memories with the passage of time and consequently, they do not know what to follow in their actions and even remain ignorant after making mistakes. By encouraging the practice of "measuring oneself by the standards already set," we mean encouraging our comrades always to review the above-mentioned documents and regulations and use them to promptly "correct" the "errors" in their thought and statements and actions. This practice of regularly reviewing relevant documents and regulations in the light of actual conditions will help us constantly update our knowledge and deepen our understanding and raise our political and ideological level.

Second, "exercising caution about one's personal life." By encouraging "exercising caution about one's personal life," we mean encouraging our comrades to strive to think and act in one and the same way, to match their deeds to their words, to refrain from double dealing, and to behave themselves in one and the same way whether under supervision or not. They should always bear firmly in mind the duties that party members must fulfill and pay attention to making a demarcation line between proletarian and non-proletarian ideas.

Third, "self-examination" or self-criticism and self-questioning. By encouraging "self-examination," we mean that all party members should often "examine their conscience in the stillness of night," compare themselves with others in terms of awareness, spirit, work style, and contributions using the party principles and requirements as the yardstick, and examine

and weigh what they have said and done as well as their successes and failures in a day. This is also a good method of being strict with oneself.

Fourth, "self-study." In the new situation of reform, opening up, and economic invigoration, our comrades must conscientiously strengthen their studies in theory, policy, and cultural, scientific, and technological knowledge. However, those who can receive regular training in party schools and institutions of higher education are, after all, few in number. Therefore, it is necessary to vigorously encourage self-study and particularly necessary to encourage young party members to strive to become competent people through self-study.

### 3. On enforcing party discipline.

Our party discipline is iron discipline established on the basis of the high level of willingness of party members. Strengthening the sense of discipline is one of the tasks of improving the quality of party members, and enforcing party discipline is in itself an effective education in discipline for the vast numbers of party members. It is true that priority should be given to education in improving the quality of party members. However, it must be supplemented and guaranteed with discipline. Otherwise, it will be difficult to achieve the desired results.

With regard to the party rectification, the CPC Central Committee has stated that "it is necessary to strictly rectify party organizations" and "to strengthen discipline." At the beginning of this year, Comrade Hu Yaobang again stressed: "It is imperative to enforce discipline." As I see it, if we act this way, the improvement of party members' quality, the rectification of party style, and a fundamental turn for the better in party style will be more secure. In view of the problems cropping up in the course of enforcing discipline in the previous period, as a veteran party member, I would like to make some suggestions as follows:

- (1) The whole party should strictly observe discipline and ensure that discipline must be strictly enforced and violations of discipline must be dealt with. On the question of enforcing discipline, we must on no account regard any violations of discipline as "special" or "an exception" and indiscriminately stress "preferential treatment" and "flexibility," because this will undermine the inviolability of iron discipline.
- (2) The key to the implementation of the principle stressing that "everybody is equal before discipline" lies in having the courage to "deal with tough problems" in enforcing discipline. Compared with ordinary party members and cadres, what party members who hold higher positions, have greater seniority and power, and enjoy a better reputation say and do is much more influential. Therefore, it is only natural that the party has set higher and stricter demands on them in terms of party spirit and quality. No one shall try to become a "special party member" unrestricted by party discipline by using his power and position or relying on his past contributions and seniority.

(3) Communists who violate state laws should be punished according to law. As Comrade Dong Biwu advocated during his lifetime: "Those who regard themselves as something special and ignore party discipline and state laws and have violated the law must be held legally responsible without exception, no matter how high their positions and how great their contributions." We must not replace state laws with party discipline and handle their violations of the law as an inner-party matter.

#### 4. On strengthening supervision.

The awareness of party members is rather uneven within our party. There are not many comrades who are highly aware and who are always strict with themselves. Even those with a high level of awareness who are strict with themselves may go astray without supervision. Thus, supervision is all the more necessary for those who lack awareness and who are not strict with themselves. Therefore, supervision from the top to the bottom and at the same levels as well as acceptance by party members are also the essential conditions for improving the quality of party members.

Generally speaking, our party has always attached importance to strengthening the supervisory role of the organization and masses. However, a number of comrades within the party are afraid of exercising supervision over others and are also unwilling to accept supervision by others, to say nothing of placing themselves amid the masses and accepting supervision from the top to the bottom and at the same level. As a result, it becomes difficult to conduct criticism and self-criticism. All comrades are getting along well with each other outwardly and no one is willing to speak the truth. Regarding such circumstances, Comrade Hu Yaobang emphatically pointed out at a meeting of cadres of the central organs on 9 January 1986: "We must strengthen supervision from top and below in all central organs." He continued: "The central party organizations, particularly the party committees and organizations of various departments, should perfect inner-party life, overcome their weaknesses and incompetence, carry out normal criticism and self-criticism, listen attentively to the voice of the masses, and accept supervision by the masses including the lower level organs." He also stressed: "All comrades within and outside the party who are loyal and decent have the right to report accurately to the CPC Central Committee the dereliction of duty and illegal practices of the party organization at any level, including the responsible persons of the central authorities." Well said! We should encourage all party members to place themselves under the supervision of the organization and others, and exercise mutual supervision. Leading cadres of the party should especially encourage the comrades around them to exercise supervision over them. Prior to the liberation, our leading cadres and working personnel kept close to the masses and their words and deeds were obvious to each other. Naturally, this gave full play to the supervisory role of the masses. Following the founding of the PRC, our party became the party in power. Consequently, our leading cadres had fewer opportunities to make direct contacts with the broad masses so the supervisory role of the masses was not brought into full play. Leading cadres should cordially encourage their working personnel, secretaries in particular, to exercise supervision over them unreservedly without the slightest hesitancy. The working

personnel, secretaries in particular, who are used to flattery and trimming, which give rise to mistakes and unhealthy tendencies, should resolutely be transferred. In the people's social life, relationships of family members are more intimate than any other relationships. We should encourage mutual supervision even among family members.

The CPC is a thoroughly tempered party that can tide over any difficulty and danger and defeat any enemy. Can we not overcome the defect of impure party spirit and poor qualities of certain party members and the unhealthy tendencies within our party? We are now continuing the party rectification and the CPC Central Committee is greatly determined to correct party style! With the passage of time, we will certainly be able to enhance the party spirit and improve the qualities of party members, and check the unhealthy tendencies. We must have absolute confidence in this regard.

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## ON CONTROLLING THE EXPANSION OF CONSUMPTION DEMAND

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 15-19

[Article by Zuo Chuntai [1563 2504 0669] and Xiao Jie [5135 2212]]

[Text] Maintaining a basic equilibrium between aggregate social demand and aggregate social supply is a basic condition for steady economic growth and the smooth implementation of reform. Aggregate social demand includes both accumulation demand and consumption demand. With the development of social production and the growth of national income, accumulation demand and consumption demand should increase year after year, but not faster than some objective limits. Past experience has engendered in people a deep awareness of the harmful effects of the expansion of capital construction investment, which is part of accumulation demand, and people have strived to check this expansion. However, inadequate attention has been paid to the existing and possible harmful effects of the expansion of consumption demand. Therefore, it is necessary to discuss controlling the expansion of consumption demand.

### The Past Situation of Rapid Accumulation and Low Consumption Must Not Recur

A remarkable fact in China's economic development during the past 30 years or so is that over many years, national income distribution was generally marked by a high accumulation rate and a low consumption level. The excessive growth of accumulation funds affected both the normal growth of consumption and the growth of national income, so that more haste led to less speed.

During the First 5-Year Plan period, the average accumulation rate was 24.2 percent, average annual national income growth was 8.9 percent, and the average annual growth in the national level of residents' consumption was 4.2 percent.

During the Second 5-Year Plan period, the average accumulation rate was 30.8 percent, national income decreased at an average annual rate of 3.1 percent and the average annual fall in the national level of residents' consumption was 3.3 percent. During the 3 years of the Great Leap Forward, the accumulation rate soared to 39.3 percent, national income decreased at an average annual rate of 1.9 percent, and the level of consumption fell at an average annual rate of 2.9 percent.

During the economic readjustment period of 1963-1965, the accumulation rate dropped to 22.7 percent, national income grew at an average annual rate of 14.7 percent, and the average annual rise in the national level of residents' consumption was 8.6 percent.

During the "Great Cultural Revolution" years of 1966-1976, when China was carrying out the Third and Fourth 5-Year Plans, the average accumulation rate was 30.3 percent, the average annual growth in national income was 6.0 percent, and the average annual rise in the national level of residents' consumption was 2.1 percent. Between 1970 and 1976, the average accumulation rate was 32.7 percent, the annual national income growth was 6.6 percent, and the average annual rise in the national level of residents' consumption was 2.3 percent.

After the smashing of the "gang of four," the grave consequences of the decade-long internal disorder were underestimated, so that the accumulation rate rose in 1978 from the previous year's level of 32.3 percent to 36.5 percent. In 1979, with the start of our national economic readjustment, accumulation decreased, but because we undertook several good projects, a large financial deficit occurred and we could hardly make means and ends meet. Just as "3-feet deep ice on the waters indicates a prolonged spell of cold weather," so did the huge deficits of 1979 reveal that over many previous years the scale of construction outstripped available national resources and imbalance occurred in major proportions, such as the proportion of accumulation to consumption. Those deficits also indicated that the problem of the people's living standard which had been building up over many previous years began to be solved.

If accumulation does not increase from year to year, society cannot develop and advance. Engels said that accumulation is "society's most important progressive function." ("Selected Works of Marx and Engels," Vol 3, p 350) However, excessive accumulation will push consumption below the minimum level which should be ensured, causing undesirable results. The basic aim of socialist production is to continuously satisfy the material and cultural needs of the masses of people. Stressing accumulation at the expense of consumption goes against the aim of socialist production and the requirements of the basic economic law of socialism. Of course, under socialist conditions, accumulation is also geared to the people's long-term consumption needs. However, due attention must be paid to both economic construction and the people's living standard, to both long-term interests and immediate interests. Since the 3d Plenary Session of the 11th CPC Central Committee, the past error of maintaining a high accumulation rate and a low level of consumption has been corrected. Now "both bread and construction are necessary" is the basic principle governing the correct handling of economic construction and the people's living standard. The phenomenon of high accumulation rate and low consumption level should not recur.

#### A Growth of Consumption Demand Beyond Certain Objective Limits Cannot Be Sustained

Since the 3d Plenary Session of the 11th CPC Central Committee, the guiding principle of "readjusting, restructuring, consolidating, and improving" has

been implemented, accumulation has been curtailed, the state purchase prices of agricultural products have been raised, workers' wages have been readjusted, employment of the labor force has been arranged for, the bonus system has been instituted, and construction of houses for workers has been increased. Consequently, the people's living standard has considerably improved. Accumulation fell from 36.5 percent in 1978 to 29 percent in 1982. Between 1978 and 1982, the average peasant's net income doubled, the average worker's wages rose 30 percent, and with the increase in employment, total wages grew 53.1 percent. Moreover, the total value of agricultural output grew 33.4 percent, the total value of industrial output grew 32.2 percent, and the overall labor productivity of industrial enterprises rose 9 percent. Thus, the income growth for both peasants and workers surpassed the development of industrial and agricultural production and the improvement of labor productivity. This was actually a special situation arising from some special circumstances and could not continue for long. However, without fully understanding this point, some comrades, in view of the past sufferings caused by high accumulation rates and low consumption levels, have advocated a high consumption level, thinking this could stimulate the rapid development of production. Since 1983, particularly since 1984, for various reasons consumption demand did not contract in response to the expansion of accumulation demand, but increased overly rapidly, creating an expansionary situation. This was mainly reflected in the following fact: On top of the marked increase in urban and rural residents' income over the previous several years, in 1984 and 1985, the actual income of urban and rural residents in China rose roughly at an average annual rate of 17 percent, while national income attained a mere 11 percent growth, social labor productivity grew at an average rate of 8 percent, and the total value of agricultural and light industrial output, which corresponds to consumption demand, grew at an average annual rate of 12 percent. The rate of growth in social purchasing power to the rate of growth of supply of commodities was 1.6 to 1; that is, for every 1.6 percent growth in purchasing power, the supply of commodities grew only 1 percent. The marked imbalance between market demand and supply has been worsening.

Some comrades may think that the current main problem is an expansion of accumulation demand and an excessive scale of capital construction. In 1985, the accumulation rate was above 32 percent, exceeding the generally acknowledged appropriate upper limit of 30 percent, while the proportion of consumption fell to 68 percent. Therefore, generally speaking, consumption demand cannot be said to have expanded. This argument is not without reason, but is incomplete. In examining whether the proportion of accumulation to consumption in national income is rational, one must not only study changes in the proportion itself, but must study whether accumulation and consumption grow faster than national income and whether there is overdistribution of national income. If accumulation and consumption demand grow faster than national income, then the proportion of accumulation to consumption is itself a distorted proportion incapable of reflecting objective reality.

How can overdistribution of national income occur? Overdistribution of national income in its real form cannot occur. However, under the condition

of existence of commodity monetary relations, the distribution of national income in its real form and the distribution in value form constitute a process of movement involving some separation. Distribution in value form comes first, and then, through exchange, distribution in real form follows. National income in value form is distributed in monetary form. With paper money used in circulation, when the total quantity of money used in national income distribution exceeds the total value of national income calculated according to some definite prices, there will appear an outstanding amount of distribution which neither has value as its basis nor corresponds to some real things. Broadly speaking, this outstanding amount can appear as:

1) an outstanding amount in the monetary expenditure which represents accumulation demand; this causes accumulation demand to exceed the supply of the means of production; 2) an outstanding amount in the monetary expenditure that represents consumption demand; this causes consumption demand to exceed the supply of the means of subsistence; or 3) an outstanding amount in both the monetary expenditure representing accumulation demand and that representing consumption demand; this causes both the means of production and the means of livelihood to be in short supply, resulting in market shortages.

Currently, the third situation is occurring in China.

#### The Harmful Effects of an Expansion of Consumption Demand

An expansion of consumption demand will have various adverse effects on the healthy development of our national economy and the smooth progress of the reform of our system, as explained below:

First, an expansion in consumption demand will cause rises in market prices. For one thing, with workers' wages rising faster than labor productivity, the costs of enterprises' products will rise owing to wage increases. In order to maintain their profits, the enterprises will use certain methods permitted by state policy, for example, raising the ex-factory prices of commodities through price negotiations, and so on. For another thing, with consumption demand backed by purchasing power exceeding the supply of means of subsistence, with demand exceeding supply, market retail prices will inevitably be pushed up. In particular, in times of a serious expansion of consumption demand, prices will rise markedly faster. The indiscriminate raising of prices, which is not permitted by state policy, still continues to occur at times, precisely because with an expansion of demand, people continue to buy at raised prices.

Second, an expansion of consumption demand hinders the improvement of product quality. An expansion of consumption demand makes enterprises one-sidedly care about the quantity of products at the expense of improving product quality. Some unmarketable, backward products may even once again pour into the market. The practices of giving consumers less than the stated quantities of goods purchased and lowering the quality of service will develop again. An expansion of accumulation demand will cause an expansion of consumption demand, which will in turn stimulate the expansion of investment in fixed assets. Under the pressure of consumption demand expansion, many categories of equipment which should be eliminated and many categories of backward technology will continue to be used. Enterprises will

not hesitate to use high cost methods that yield poor results to maintain an overly rapid rate of output growth, resulting in a situation where an expansion of consumption and an expansion of investment occur together and affect each other. Moreover, this increases the difficulties confronting the rational readjustment of the industrial structure and the product structure.

Third, an expansion in consumption demand affects the equilibrium in foreign exchange payments and receipts. With China opened to the outside world, the opportunities for adjustment of demand and supply on the domestic market are widened. However, if owing to the pressure of consumption demand expansion the state is forced to use large sums of foreign exchange to directly import consumer goods from abroad, those funds urgently needed for purchasing advanced technology and equipment for the four modernizations can only be made available by increasing our external debts. Importing consumer goods cannot help increase production capability or help improve technology, and hence cannot increase our ability to export goods and earn foreign exchange. Moreover, price rises due to consumption demand expansion will raise the costs of exports, affect the volume of exports, and affect our ability to convert goods into foreign exchange. This will surely further affect the equilibrium in foreign exchange payments and receipts.

Fourth, an expansion of consumption demand will greatly boost the outstanding balance of purchasing power. Increases in residents' saving deposits reflect continual improvements in the people's living standard and result from the diligence and thriftiness of the masses of people. If purchasing power grows too fast and the outstanding purchasing power of those who cannot buy commodities with their money is too great, there will be undesirable consequences. By the end of 1985, the total outstanding purchasing power, having accumulated over many years, more than tripled the figure for 1980, and was equivalent to approximately 60 percent of the total retail volume of social commodities for the year. This huge potential purchasing power not only increases the pressure on market supply, but also makes it difficult for us to curb price rises.

Fifth, what is more important, an expansion in consumption demand causes a lack of reserve strength for sustained economic development in the future. The current period is one of pioneering work in China's modernization, and accumulation funds are needed for many categories of construction. If, in this stage of economic development, advances in daily life consumption are too rapid, then certainly accumulation of funds will decrease, production costs will rise, and our products will have poorer competitive ability, so that our economic development will lack stamina. This will not only undermine current construction, but will also adversely affect the future and our future generations.

#### Resolutely Control the Overly Rapid Growth of Consumption Demand

In order to effectively control the expansion of consumption demand, we must now solve the following problems:

First, we must have a unified understanding of the meaning of proceeding from China's realities. China is a developing country with a population of 1 billion and with 800 million peasants. The first figure indicates that ours is a large country, and the second that China is economically relatively backward. Since the 3d Plenary Session of the 11th CPC Central Committee, our country has achieved enormous success in reform, particularly rural reform. The face of the countryside has drastically changed. However, at present the problem of food and clothing for several dozen million people in our countryside still remains to be solved. Marx and Engels repeatedly said that distribution can only be distribution of the fruits of production. For many years to come, our production technology and labor productivity will continue to be poor. Under this condition, how can we advocate and go after a high level of consumption? China is now in the stage of laying its foundation and doing arduous pioneering work. When the magnificent goal of quadrupling the annual total value of industrial and agricultural output, put forth at the 12th CPC Congress, is attained by the year 2000, China will merely attain a comparatively well-off level. It must work hard for another 30 to 50 years before it can approach the advanced nations' standard. That is, building China into a modern nation that attains advanced world standards requires several generations to work arduously for several decades. There is an ancient saying: "People plant trees so that later generations can enjoy the cool of the trees' shade." How can we, people of this generation, give up the fine tradition of arduous struggle and reliance on hard work and thrift to build our country, and care only about immediate consumption at the expense of laying a firm foundation for our posterity's undertakings? Our present economic reform aims to remove the obstacles to the development of the productive forces and to make China prosperous and strong and the people well-off and happy. However, it is both impossible and inappropriate to demand that every reform measure should instantly bring conspicuous material benefits to every member of society. In fact, some reform measures may even require some people to temporarily sacrifice some immediate interests. Even material benefits which one should acquire must be acquired subject to the state's economic policies. During the war of resistance against Japan, in accordance with the CPC's united front policy of becoming united to resist Japan, the vast numbers of peasants in our bases did not expropriate landlords' property but instead reduced rent and interest. The peasants' economic benefit only consisted in enjoying reduced rent and interest and shouldering a reasonable burden. During the war of liberation, with the implementation of our land reform, the peasants' demand for having land was satisfied, but they had to abide by two restrictive policies: First, the middle class peasants' interests must not be infringed on; and second, industry and commerce must not be disrupted. In consideration of their long-term interests, the vast number of peasants strictly complied with our party's policies, supplied manpower, shed blood and sacrificed their lives, and made enormous contributions to winning the war and founding the PRC. In this time of peaceful construction, how can we care only about the present at the expense of the long-term future and the individual at the expense of the state? How can we refrain from implementing the state's guiding line and policies, violate laws and discipline, and indiscriminately distribute bonuses and material awards? If these problems of understanding are solved, the tune of advocating increased consumption is no longer sung,

and the erroneous practice of violating policies and arbitrarily expanding consumption is stopped, then success in controlling the expansion of consumption demand can be reliably ensured.

Second, we must persist in achieving equilibrium in national income distribution and put an end to overdistributing national income. This is the key to controlling the expansion of consumption demand. Through primary distribution and redistribution, national income becomes various categories of income for individual residents and various units. These categories of income create the consumption demand backed by the purchasing power of individual residents and collective units and the accumulation demand related to the increase of fixed and liquid assets. Consumption demand and accumulation demand are finally realized in consumption funds and accumulation funds. Thus, consumption demand and accumulation demand basically arise from the primary distribution and redistribution of national income. If the overdistribution of national income in monetary form, which is like a leak, is stopped, and if equilibrium is achieved in national income distribution, then the expansion of consumption demand can be stopped and equilibrium between aggregate social demand and aggregate social supply can be maintained.

Reform is the focus of the Seventh 5-Year Plan. Our economic system reform is a grand systems engineering project and a new thing. We have established the principle: "Fight the initial battles cautiously and strive for sure success." We have made careful designs and are acting cautiously. However, "even the wise are not infallible." It can hardly be imagined that we can suddenly have a very perfect and absolutely risk-free reform program. It is difficult to completely eliminate the risk of unexpected problems or errors in some areas. Thus, considerable quantities of funds and material resources are needed as a reserve for remedying deficiencies in our reform, just as blood transfusion and oxygen supply facilities are needed in preparing for a major surgical operation. Therefore, our state finance, which plays a part in the primary distribution and redistribution of national income, should be managed in such a way that equilibrium between spending and revenue, together with the achievement of some surplus, must be strived for. The method of achieving sectoral equilibrium and comprehensive equilibrium in finance, credit, foreign exchange, and goods and materials, proved to be efficacious through many years of practice, must be adhered to. This is not only crucial to controlling consumption demand expansion, but is also important to guaranteeing the smooth progress of our economic system reform in a good economic setting.

Third, the growth of consumption demand should be slightly slower than the development of production and the rise in labor productivity. Controlling consumption demand expansion and adhering to equilibrium in national income distribution are of crucial importance, but not adequate. If the proportion of consumption in national income is overly large, so that part of the indispensable amount of accumulation is displaced, then consumption can also grow overly rapidly. Moreover, the sustained growth of consumption will be adversely affected in the long run. In the "Report on the Seventh 5-Year Plan," Comrade Zhao Ziyang said: "Daily life consumption must not grow faster than the development of production. Workers' wages must not rise

faster than labor productivity." This prescribes the limits for the growth of consumption demand. Why must the growth of consumption demand be no faster than, or, to put it more succinctly, be slightly slower than, the development of production and the rise in labor productivity? This is because the growth of consumption demand involves the question of the objective compatibility of financial and material resources. Financially speaking, national income can become personal income for consumption only after various necessary deductions. If the entire income is distributed to individuals and consumed, the state's future will be hopeless. Considering material resources, the growth of consumption demand should be compatible with the growth in the output of means of subsistence; otherwise, consumption growth will not be backed by material resources. Moreover, the production of the means of subsistence must grow slightly faster than consumption demand, so that in purchasing consumer goods, individual residents can have more choices in regard to variety, quality, and specification. An increase in the production of marketable consumer goods is not freely achievable, but is limited by objective conditions such as production capacity, the supply of materials and raw materials, the availability of energy resources and transportation and communications facilities, and so on. If consumption demand is one-sidedly expanded without considering objective feasibility and the reality of production and supply, then part of the monetary income will not be backed by value or material things, resulting in price rises. In real life, people invariably hope income can rise faster, but on the other hand, they also hope prices can be stable. However, if consumption demand grows faster than certain reasonable limits, what is called a high level of consumption will be offset by high prices. Without the development of production, without the production of so much material wealth, issuing banknotes cannot boost consumption.

There are also other important problems which should be vigorously solved, such as controlling unreasonable increases in administrative expenses and the purchasing power of certain social groups; using taxation as a lever to rationally regulate the income levels of various categories of people in society; using economic policies, economic levers, and necessary administrative measures to make the people's consumption pattern develop in a rational orientation; strengthening the control, monitoring, and inspection of market prices; preventing the indiscriminate raising of prices; guarding against vicious circles formed by price rises and wages increases feeding on each other; and so on.

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CHANGING THE APPEARANCE OF POOR AREAS ALSO REQUIRES TAKING THE ROAD OF REFORM AND OPENING UP

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[Article by Yang Yongzhe [2876 7176 0772]]

[Text] Changing the appearance of the poor areas as quickly as possible and having them catch up with the national level of economic development is the ardent wish of the people in the poor areas and is also a question of common concern to all sectors of society. If we are to seriously implement the principles and policies of the party and government in respect of resolving the problems of the poor areas, we must adhere to the road of reform and opening up.

I. Reform the Traditional Industrial Structure, Change Economic Weak Points Into Economic Advantages

Our nation's rural regions are broad and the situations in these areas vary enormously. Different areas have different characteristics and have different advantages. Developing a region's advantages is the key question in rural construction. That is to say, if we look at the situation in our nation's poor areas we see that many are old revolutionary bases, minority nationality regions, and remote border regions. There, there are many mountainous areas and vast areas suitable for planting grass, planting trees, or raising animals. There, they have the conditions for developing meat, milk, leather, and pelt-processing industries. In these areas, mineral resources are rich and thus important materials and energy bases can be established. There, they have economic crop superiorities far better than those in ordinary areas. Some areas produce melons and fruit and, because the sun shines for long periods, there are constantly high temperatures, there are few pests or diseases and there is no pollution, the color, smell, and taste of the melons and fruit are all excellent. Bringing into play the superiorities of the areas is the road by which the poor areas can stand up and is also a requirement of the overall national economy. However, in the past, under the "leftist" ideological influence, special regional characteristics were overlooked and all areas "took grain as the key link." This resulted in economic development being checked and the ecology suffering damage and thus the losses outweighed the gains. Since the 3d Plenary Session of the 11th CPC Central Committee, many poor areas have liberated their minds and, in a

seeking-truth-from-facts manner, set out their own production plans and very quickly opened up new prospects. For example, western Shandong has brought about an upswing by planting cotton, Yanbei in Shanxi has become prosperous through mining coal, and many areas in the northwest have planted trees and developed animal husbandry and thus taken the road to shaking off poverty and becoming rich. On 31 March 1980, when Comrade Deng Xiaoping was talking about the questions of liberating our minds in rural work and suiting measures to local conditions in developing production, he clearly pointed out: "What is meant by suiting measures to local conditions is that those things for which the area is suited should be developed and that we should not try to force things for which the area is not suited." This is the correct policy which has been put forward after decades of experience and lessons.

If we want to suit measures to local conditions, then we must liberate our minds. We cannot again tread the old road which led nowhere over 30 years nor can we indiscriminately copy other people's experiences. Rather, in accordance with individual resource advantages and conditions, agriculture should be engaged in where conditions are suited to agriculture, raising livestock where conditions are suitable for animal raising, forestry where conditions are suited to forestry, and industry where conditions are suited to industry. Each area should seek its own breakthrough point and each should travel its own road to shaking off poverty and becoming prosperous. The leading organs should adopt more flexible and more open policies in respect of poor areas and allow them to choose development roads suited to their own situations. They should also combine and implement the many preferential policies and considerations of the party and the state in respect of the poor areas in a way which suits measures to local conditions. At the same time, good services need to be provided in terms of circulation, information, funds, and technology, and highways and other basic facilities need to be improved. Only thus will it be possible to effectively assist the poor areas in developing well.

A prominent issue here is allowing those poor areas which are not suited to growing grain to get rid of the millstone of striving for self-sufficiency in grain and encouraging the people there to use existing resources to develop commodity production and increase money income. If one has money, one will have food, and if one has money one will have clothing and shelter. Not only will this allow the problems of food and clothing to be solved quite quickly, but it can also help agriculture and livestock raising, thereby promoting the development of agricultural and livestock raising production. The idea that one can resolve one's problems of being well-fed only by growing one's own food grain does not accord with the demands of developing modern, specialized commodity production. Our country has realized quite good development in the production of grain and cotton and we already have the conditions for making the transition from a self-sufficient or semi-self-sufficient economy to a large-scale commodity economy. Of course, we must also recognize that our nation is large, it has a huge population, communications are not developed, and there are still certain difficulties in transporting food grain over vast distances. Also, the income of the peasants in some poor areas is still very low and, even

if grain is transported to their areas, they will not necessarily have enough money to buy it. Thus, on the question of food grain for poor areas, on the one hand the state should supply grain at suitably preferential prices and support the readjustment of the industrial structure and the development of the commodity economy. On the other hand, poor areas must continue planting grain in those areas planted to grain and the state should provide services in terms of fine strains, technology, production materials, and so on. This will assist them to do well in the necessary capital construction of fields, in changing their habits of extensive cultivation, in implementing intensive farming, and in raising per-unit yield. In the past, the major reason the policy of reducing planting and engaging in livestock raising and forestry could not be implemented, and diversified operations could not be developed, was that these issues had not been handled well. Some areas implemented grass sowing and tree planting and developed it at the same pace as basic construction of fields. The result was that "fields were reduced, but grain yields did not fall, while forage and livestock raising saw great development." The effects were very good.

As poor areas readjust their industrial structure, they must correctly handle the relationship between immediate interests and long-term interests. In these areas, the base is poor, the masses have difficulties in their lives, and the funds, technology, and management conditions are quite poor. Thus, if we are to change the poor appearance of these areas, we must proceed from those problems which the masses most urgently need resolved and we must especially stress economic results. If not, and if we set great plans and high demands and just arrange some projects which need great investment, have long cycles, and see results only slowly, then the distant water will not quench the immediate thirst, and these will inevitably be divorced from the masses. Seen from the current foci of work, we should place the resolution of the problems of food and clothing in the prime position. As to becoming prosperous, it is a gradual process and must rely on the masses making great efforts over a long period. In terms of developing commodity production, we should conform with the principle of first using and later developing. First, we should sell those productions the sale of which the peasants are waiting for, so as to resolve their pressing needs. Then we should proceed in accordance with capabilities, gradually expand production, improve quality, and develop new products. As to sowing grass and planting trees in mountainous areas, we should mainly rely on sowing grass and raising livestock, and on the planting of economic crops, and also promote forestry-grain, forestry-grass, forestry-oil, and forestry-medicinal herbs intercropping. In this way, ecological and economic benefits can be combined. Thereby, the peasants will stand to gain and sowing grass and planting forests will have long-term development prospects. As to the running of township enterprises and developing industrial and sideline industries, we should start by running small-scale family and joint-household enterprises which require small investment, see quick results, and have good management. When skilled personnel have been trained, funds accumulated, and experience realized, we can run slightly larger combined projects and backbone projects. In this way, there will be ordered progress from small to large, from low to high, from close to distant, and only thus will good results be achieved.

## II. Changing the Old Concept of Making a Living on the Spot and Seeking New Avenues for Getting Rid of Poverty and Achieving Prosperity

In the last few years, the flow of a large number of skilled workers from the economically developed coastal regions to the developing areas and poor areas in the west has played a positive role in promoting economic development. At the same time, labor groups from the developing areas and poor areas, which mainly engage in heavy physical labor, are flowing into the developed areas, into the large and medium-sized cities, and the mining areas. In these areas, they engage in construction, baking bricks, repairing roads, tree-cutting, transport, rubbish removal, laying underground pipes, and in all sorts of social services. This flow both satisfies certain needs in the economic and social development of the cities and developed regions and, at the same time, opens up new employment opportunities and avenues of livelihood for the developing and poor areas. If Dingxi Prefecture of Gansu Province sends off a construction worker, after a year, he will bring back a net income of about 1,000 yuan. Thus, the masses say: "A single person is sent out, but he enriches an entire family." Anjiamen village in Shanyang County, Shaanxi, sent several hundred persons to Xian to dig the sludge out of the city's moats. Their income over a few months was equivalent to the total industrial and agricultural output value of the whole village. They propose: Moving out from our village, going all over the country, using our strength to make money, and becoming prosperous. Actually, the export of labor is not only a way to make money to support the family, but also a means of labor training. The people who are sent out have their vision widened, gain knowledge, and learn technologies. After returning to their villages, they become the local experts, increasing the people's ability to make a living. What is more important is that the people sent get to understand urban and large-scale industrial civilization, and study new ideas and concepts. This has advantages in overcoming the backward consciousness of a small agricultural economy, and will play an important role in changing the spiritual mein of the poor areas and promoting social progress.

All levels of leading organs should support creation by the masses and promote the development of this flow of people. Based on present experiences, in arranging labor export, we should resolve the following three major problems: 1) On the ideological level, we must eliminate the "leftist" influence, and change the erroneous ideas of it being better to suffer and die in one's own place, of people not being allowed to leave the area, and where they therefore sit and wait for aid and sit around idly using up resources. 2) On the basis of the masses' willingness to be sent, and in guiding activities in accordance with circumstances, labor export service entities should be established to arrange the labor export in an organized and guided way. In some regions, cadres lead the group, people with technological knowledge set the example, and they draw in the surplus labor force of the village and organize various types of labor service teams. They go outside to undertake contract projects and at the same time do well in their family work. They make overall arrangements for both production and life and the effects are very good. 3) It is necessary to ask specialized persons to provide technical training for the people who are sent out, to arrange

necessary funds and equipment, and to provide various types of service. In this way, the masses who are sent outside in a dispersed way to make a living will develop, join together, and form a new social industrial force.

In addition, for the very small number of places where the natural conditions are very poor, where the masses have long relied on grain, water, and coal being sent in, and where it is difficult to continue an existence, we should guide and organize the masses to move to places where there is water and electricity and where the production and livelihood conditions are quite good. There they can engage in agriculture and industry, participate in small valley construction, and develop new avenues for leaving poverty and becoming prosperous. Remembering history's lessons on the movement of people, we must proceed in accordance with each area's experiences and adhere to the principle of voluntary participation. To begin with, families should not be moved. First, people should leave to work and to start undertakings. When they have done well in construction in the area they have moved to and have a stable, dependable income, there will be an attraction and the peasants will automatically move their families there.

### III. Changing the Blockade Situation and Implementing Open-Style Construction

In the last few years, since the Central Committee put forward the idea of the coastal areas supporting the interior and the interior learning from the coastal areas, the poor areas have drawn in intellect from the developed areas and developed lateral economic relationships. This has played a great role in changing the appearance of the poor areas. The poor areas are rich in resources, labor, and land. However, they lack funds, technology, and skilled personnel. Thus economic development is slow. The developed areas have funds, technology, and skilled personnel but do not have sufficient raw materials, energy, labor, or land, and this restricts their further development. Having the two sides combine so that the strengths of one can make up the other's weaknesses and so that they can bring their superiorities into play is necessary if they are both to see economic development and is a common requirement and hope. Positively promoting the development of economic cooperation and technological interflow between poor areas and developed areas is an effective avenue by which to quickly change the appearance of the poor areas.

The experiences of various areas show that lateral economic cooperation and technological interflow must be mutually beneficial if it is to develop well and be continued. In the past, in organizing activities by which the advanced helped the backward, it was mainly done by administrative orders, by mobilizing uncompensated support from a single side. Although doing things in this way plays a certain role, the side which provides the support lacks any internal motivation and cannot be counted on in the long term. The side being assisted just sits there, receives help, and lacks initiative. The reason for this situation is that the relationship of interests between the two sides has not been handled well. If there are mutual benefits and common prosperity and everyone has motivation and initiative and all seek economic benefits, then more things can be done in a better way.

For poor areas to study the developed areas and the development of lateral economic relationships is not an ordinary call. Rather, it is a practical, effective organizational measure. The experiences of some areas which have done well in this respect are as follows: 1) The prefectures, counties, villages, and factories of poor areas have arranged, with particular aims, friendship pairings with prefectures, counties, villages, and factories in developed areas and established firm, close, cooperative, and mutually assisting relationships. 2) Poor areas have sent county heads, village heads, and factory heads to developed areas to link up positions and to study and train through practice. 3) They have requested advanced factories in developed areas to contract for the construction of their new factories, to transform old factories, to purchase and install equipment, and to train technicians and managers. 4) They have engaged heavily in joint operation projects and cooperative development projects and developed all sorts of compensation technological contracts. 5) They have offered preferential salaries and asked retired management cadres, technicians, technical workers, and teachers from the advanced areas to come to the poor areas to teach or to work for short periods. Facts have proven that the results of these methods are quite good.

#### IV. Changing Uncompensated Aid to Compensated Support and Cultivating Internal Vigor in the Poor Areas

For the last 30 years, the poor areas, with the support of the state, have in general seen definite development and changes in production construction and the masses' lives. However, there are still hundreds of thousands of people for whom the problems of food and clothing have not yet been completely solved. Apart from work reasons, this situation is also related to the poor use-effectiveness of funds used for supporting the poor. The poor use-efficiency has mainly resulted from too much emphasis being placed on uncompensated aid. As it was uncompensated, the money was mostly put into distributing relief grain, relief funds, and relief clothing (at certain times in certain places this was necessary). This money was thus eaten up and the amounts put into developmental production construction were very small. Because it was uncompensated, everybody thought that each person should get a share. They did not worry whether they were in need or not. Everybody vied for some, inevitably resulting in egalitarian distribution and everybody getting only a small portion. Also, because it was uncompensated, it was not used carefully and in some cases was wildly misused and misappropriated. Thus, the economic results were not good. More seriously, it gave rise to a mentality of reliance, where one could just take the money and use it. When it was finished, you could get more and it became a bottomless well. Thus, we cannot again travel this one-sided road of uncompensated aid.

It should be affirmed that in changing the appearance of the poor areas, there must be a certain amount of state contribution. But the "contribution" is for the purpose of "support," to support the poor areas in walking by themselves. The basic method for changing "contribution" into "support" is to change uncompensated aid into compensated support. In the early period after liberation, when hunger and cold were equally pressing and the people were in dire poverty, it was completely right for the state to provide aid.

Today, several decades later, in the situation where production and the masses have both seen definite development and change, apart from a very few areas where, because of uncontrollable natural disasters or other special situations, there is a need to provide aid, other areas have the conditions for changing uncompensated aid into compensated support. Having compensated support will be of benefit in overcoming egalitarianism, in overcoming reliance by cadres and the masses, in strengthening a sense of responsibility, in raising one's spirit of renewal, and in fostering an internal vigor in the poor areas. Thus, with the support of the state they will spread the reform of the poor areas' situation and improve the use-effectiveness of funds. After funds are withdrawn, those funds left in the poor areas will have to be used in a turnover manner, and through the "snow-ball" effect, the funds will play a greater role. This will also be of advantage in motivating the enthusiasm of localities. As to those few areas which do not have the conditions to change uncompensated aid to compensated support, as a transitional measure, first, pure aid can be changed into the method whereby work is provided as a form of relief. That is, providing them with grain, money, cotton, and cloth but requiring the masses to plant grass and trees, build roads, engage in agriculture and livestock-raising construction, and develop production. Following the development of production and improvement of living conditions, the provision of work as a form of relief can be changed into compensated support.

There must also be reform of investment management. Domestic and international experience has shown that the results of managing investment on a project basis are quite good. That is, the former method of allocation of funds level by level from top to bottom would need to be changed into a system whereby there are requests, from bottom to top, for funds for individual projects. The former system of a small number of leaders having the final say in decisions needs to be changed to one in which the leading cadres and relevant experts together form a development fund management group and, in accordance with the needs of construction and on the basis of strict scientific sequence, select the best projects. They will also supervise and examine the implementation of the projects and be responsible for the assessment and checking and acceptance of projects. The handling of decisions on the investment or withdrawal of funds should be taken out of the hands of administrative departments and put into the hands of trust banks. In this way, we can raise investment efficiency and it will also be of advantage in preventing corruption, waste, and misappropriation of funds.

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TAKE THE ROAD OF INTEGRATING PHILOSOPHY AND SCIENCE--IN MEMORY OF COMRADE  
AI SIQI

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 24-25

[Article by Gao Shiqi [7559 1102 0366]; compiled according to the writer's speech at the "Symposium on Comrade Ai Siqui's Academic Thought" on 7 April 1986]

[Text] As an intimate friend of mine in our youth, Comrade Ai Siqui and I spent many unforgettable years exploring and studying problems concerning science and philosophy.

I think that a successful philosopher should have rich knowledge of natural science and be able to observe new developmental trends in natural science and to continuously study a series of philosophical problems in natural science. Comrade Siqui was, undoubtedly, such a successful philosopher.

A review of Comrade Siqui's life will make us understand that in his practice of studying and disseminating Marxist philosophy, he left a host of references to the field of natural science.

In his early years, Comrade Siqui studied mining and smelting in Japan. After he returned to China, he worked as a teacher of physics and chemistry in the Quanzhang Middle School in Shanghai. As the national crisis was becoming increasingly serious, he was forced to engage in the study and propagation of Marxist theory. Nevertheless, he never stopped studying natural science. He concentrated his efforts on the study of the internal relationship between natural science and philosophy and on promoting the integration of natural science and philosophy. In the thirties, he published in Shanghai articles entitled "The Theory of Evolution and Conclusive Evidence," "The Crisis of Modern Natural Science," "Mythicized Natural Science," and "How To Study Natural Science," answering readers' questions on natural science. After liberation, he was a professor of philosophy in the Institute of Marxism-Leninism and the central party school, where he gave lectures on "The History of Social Development" as well as on classical works such as "Dialectics of Nature" and "Anti-Duhring." He also wrote some articles, including "Use Dialectical Materialism To Arm Natural Science," and took charge of the compilation of the "Outline for the Dialectics of Natural Science," the first of its kind in the country. Even just before his death, he took part

in the discussion on the "Dialogue on the New Concept of Basic Particles" proposed by Shoichi Sakata, explicitly expounding the principle that matter is infinitely divisible. He also had his article "Dialectical Materialism Is the Theoretical Weapon for Exploring Nature" published in RED FLAG. Why did he pay so much attention to the study of natural science? The basic reason is that philosophy and natural science are dependent on each other and promote each other.

In particular, I would like to mention Comrade Ai Siqu's important contribution to the creation and prosperity of scientific literature. In 1934, in view of the fact that the scientific and cultural knowledge of the Chinese masses was backward, Comrade Siqu suggested the "popularization of natural science." He said humorously: "Putting on a stern expression to talk about natural science will, of course, keep the Chinese masses away. This is like country folks in the remotest countryside being unaccustomed to seeing a modern lady walking there." Therefore, he was "willing to write short articles on science." Subsequently, he did his best to write some 10 short articles on science, which were published in the magazines TAIBAI and DUSHU SHENGHUO. He also translated the medium-length science fiction "Mars" and had his translation published in TONGSU WENHUA as a serial.

In the thirties, which was full of storms and rains, we studied a large number of problems concerning science and philosophy in line with the difficult situation at that time and the needs of the masses. His philosophical thought enlightened me on the creation of works concerning the popularization of science, and my scientific knowledge enriched his philosophical thought. My first scientific essay, "Our Heroes Who Fight the Enemy," was compiled at his suggestion, and I wrote a scientific article, "The Philosophy of Stomachache," according to his dialectical principles.

During this period, I had some 20 science essays published in the magazine DUSHU SHENGHUO. This should be attributed to Comrade Ai Siqu's enthusiastic support. We joined the Shanghai Writers Association in 1937. In the same year, we also went to the Wanguo Funeral Home to pay our last respects to the remains of Mr Lu Xun. Subsequently, he accompanied me to the TONGSU WENHUA Publishing House for the arrangement of the publication of my scientific essay "A Bacterial Restaurant."

After the war of resistance against Japanese aggression broke out, we went to Yanan in pursuit of revolutionary truth, he proceeding from social science and I from natural science. From then on, we visited each other frequently.

During the long period in which we were in contact, I quite understood and esteemed Comrade Siqu's character. His upright character, hard-working and indomitable spirit, and will to fight for the lofty ideal of communism made a deep impression on me. Throughout his life, he wrote many works, in which he carefully combined practicality with ideological soundness, as he was aware that any absurdity would bring great harm to readers. His spirit of engaging in serious scholarly research merits emulation. It is now 50 years since I first came into contact with Comrade Siqu. For a human being, a span of 50 years is quite a long time, but it is a moment in human history.

During these 50 years, however, science and philosophy throughout the world have undergone continuous development, embodied each other, and become closer than ever. Today, the era and situation urgently require that philosophers should enter the scientific sphere, enrich philosophy in the course of scientific development, and have a wider philosophical perception, and that scientists should enter the philosophical sphere, use philosophical thought to guide scientific research, and fully apply their philosophical stand, viewpoint, and methods. The integration of these two will lead to the formation of a new force which can constantly improve human life. Fifty years ago, Comrade Sisi began to devote his efforts to the exploration of science and philosophy. This gives expression to the inevitable process of this historical development!

Perhaps, if we now read Comrade Sisi's scientific articles, we will feel that their ideas and content are too simple and behind the times. But from these articles, we understand how the ideas of this philosopher developed and how this farsighted philosopher blazed a new trail in the integration of science and philosophy. Comrade Sisi set us a good example in integrating science with philosophy and theory with practice. The impetus of this example will, undoubtedly, inspire and guide us, and in particular young people engaged in philosophical and scientific work.

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CREATE A NEW SITUATION IN BUILDING THE LEGAL SYSTEM FOR SCIENCE AND TECHNOLOGY  
IN OUR COUNTRY

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 26-29

[Article by Wu Mingyu [0702 2494 3842]]

[Text] In order to make use of socialist laws to exercise macroscopic guidance and administration over scientific and technological work, our country took a steadfast step toward legislation for science and technology in 1985 and the building of the socialist legal system has begun in a new realm. In implementing the magnificent Seventh 5-Year Plan, the profound understanding of the relations between the law and science and technology will be a task of great importance to the gradual realization of rule by law over scientific and technological work.

The Emergence and Development of Legislation for Science and Technology

Law, as a group of behavioral rules playing a role in adjusting social relations, emerged almost at the same time as the nation state. However, science and technology, as well as the related legislative practice, are the products of a certain more advanced stage of the development of social productive forces.

The so-called law on science and technology is, in fact, the sum of the legal norms that adjust the social relations displayed in scientific and technological development. Its emergence as a part of the modern legal system was by no means a coincidence. Modern science and technology is the most active and decisive factor in the new social productive forces. Just as Marx pointed out: "Labor productivity constantly develops along with the constant progress of science and technology." ("Collected Works of Marx and Engels," Vol 23, p 664) In the wake of the development of social productive forces, science and technology will infiltrate deeper and deeper into social production and social life and will have a profound influence on traditional social relations. Such being the case, it is becoming clearer and clearer, as time goes by, that the legal readjustment of social relations in science and technology is bound to become an important part of the modern legal system.

Actually this is a historical fact. So far the development of science and technology has undergone three stages:

### 1. Technical standards--the cradle of the law on science and technology.

The emergence of technical standards can be dated back to ancient times. Although productive forces were at a very low level at that time, people did learn and master some natural laws from practice. In the course of the development of production and exchange, people gradually understood the importance of certain technical standards and the state began to pay attention to the formulation of technical standards. So, science and technology established their initial relations with law. For example, in China, the "Law of the Qin Dynasty" contained strict provisions on the unification of weights and measures.

### 2. Intellectual property--the emergence of the law on science and technology.

As science and technology have been developing and, in particular, the results of scientific research and technological inventions have been extensively applied to production since the 19th century, the legal system aimed at protecting the intellectual property arising from inventions and academic works emerged under the conditions of capitalist commodity economy. This should be regarded as the initial form of modern law on science and technology. At the very beginning, intellectual property merely consisted of copyright and patent rights. Nowadays, it involves a wide-ranging content, including the inventor's patent rights, the discoverer's patent rights, the property rights of data and programs, the property rights of scientific and technological achievements, and so on. The significance of intellectual property lies in the fact that the personal rights and property rights of the authors of scientific and technological achievements will be respected through the procedure of legislation and thus scientific and technological activities will be governed by the state's legal regulation.

### 3. Macroscopic rule by law--the further development of the law on science and technology.

Macroscopic control over scientific and technological activities by legislative means has become a common practice in the world since World War II, especially since the seventies. In many countries, the focus of legislation is no longer on the political realm, as was seen previously, but has been shifted to the economic, scientific, and technological fields. Laws and regulations on science and technology are making up a more and more significant part of the new laws and regulations enacted by these countries in the last 2 to 3 decades. Some countries, while enacting separate laws and regulations on science and technology, are actively considering formulation of the basic law on science and technology; and other countries are exploring the legislative issues arising from the new technological revolution and intensifying the legal system that is expected to expedite the application of science and technology to industrial production.

Foreign countries' experience in building a legal system for science and technology and our country's practice in scientific and technological development show that law must be used as a means to regulate the state

system regarding scientific and technological development, the complicated scientific and technological apparatus, the macroscopic forecast, planning, and decisionmaking relating to scientific and technological work, the administration over research and development, and the relations between the macroscopic and microscopic scientific and technological activities. A series of new problems arising from the new technological revolution (such as the protection of computer software, the control over biological engineering, the social administration of information, the sovereignty of the deep seas and outer space, and so on) also badly need to be solved with laws that reflect the rules of scientific and technological development. It can be predicted that legal regulation will be extended to the vast field of science and technology in the wake of modern scientific and technological development. The closer and closer integration of science and technology and law is one of the important features in the building of a legal system in our times.

#### Legislation for Science and Technology and the Reform

The purpose of all the reforms that China has introduced is to remove the shortcomings of the existing structure that hinders the development of social productive forces, and thus establish step by step a new structure that conforms to our national conditions, and builds socialism with Chinese characteristics. As law is an important component of the superstructure, abrogating or changing the old conventions embodied in the current laws that hinder the development of social productive forces, as well as recognizing and establishing a new mode that is favorable to the expansion and development of social productive forces, constitute an important part of the reform. In order to step up scientific and technological modernization, the party and the state are leading hundreds of millions of people to resolutely carry out a reform of the scientific and technological apparatus with a pioneering and trail-blazing spirit. There is no doubt that the reform of the scientific and technological setup needs legislation for science and technology, and the latter will in its turn expedite the former.

One of the important tasks to be accomplished by the reform of the scientific and technological setup is to overcome the long-standing serious shortcomings of the existing setup; to break away from the ossified mode that is unfavorable to our effort to gear scientific and technological work to the needs of economic construction, to the rapid transformation of scientific and technological achievements into production capacity, and to the development of the wisdom and initiative of scientists and engineers, and to establish a new socialist structure with Chinese characteristics which can meet the needs of scientific and technological modernization. In order to fulfill this goal, we must endeavor to fix, in the form of law, the basic guidelines of the party and the state on scientific and technological development; the policies that have been proved to be correct, will continue to work for a long period in the future, and need to be enforced and the experience which hundreds of millions of people have accumulated in the reform, which has proved to be useful, is worthy of being popularized in a big way. Only in this way can scientific and technological modernization develop steadily and the socialist reform be carried on smoothly.

In order to boost China's science and technology, the party and the state have formulated the strategic principle that "economic construction must depend on science and technology, and science and technology must be geared to the needs of economic construction." In the past few years, with a view to guaranteeing the harmonious development of science and technology, the economy, and society, the state put forth again some technological policies toward certain important fields. This principle and these policies are the important guidelines for scientific and technological development in our country. However, principles and policies are not powerful enough to speed up scientific and technological modernization. The reason we emphasize the importance of the legal system while continuing to use the strategy and policies on science and technology to provide macroscopic guidance over scientific and technological work is because the laws relating to science and technology can play an important role different from that played by strategy and policies on science and technology.

First of all, the law on science and technology has the attribute of state will, and is therefore compulsory. Generally speaking, the policy's governing function is performed with the aid of public opinion, ideological understanding, vocational ethics, and administrative measures. The case of law is different. It is enacted by the state power or administrative organs, stipulating the rights and obligations of administrative departments, non-productive service units, enterprises, social organizations at all levels, and citizens engaged in scientific and technological activities. The law on science and technology affirms, safeguards, and develops the social relations and social order that are favorable to scientific and technological modernization, and it is enforced by mandatory orders issued by the state apparatus. Those who violate the law shall be liable to civil, administrative, or even criminal penalties. Therefore, the law has great authority. Of course, the governing function of a policy can also be performed with the aid of law. However, a policy can only act as a law or have the authority of a law when it is formulated or endorsed by the state power organ and upgraded to a state law.

Second, law on science and technology is highly restrictive. Marx said: "Law is an affirmative, definite, and universal norm." ("Collected Works of Marx and Engels," Vol 1, p 71) The party's and state's principles and policies on scientific and technological development are the basis and guideline for the law on science and technology, while the latter is composed of concrete restrictive provisions reflecting major principles and policies. In the rigid structural form of supposition, treatment, and punishment, the law on science and technology draws a definite qualitative and quantitative boundary to stipulate what people should and are allowed to do, what is forbidden, and the possible results of violation of the law. Therefore, legislation on science and technology is a necessary measure to guarantee that the party's and the state's strategic decisions on the reform of the scientific and technological structure shall be implemented properly.

In addition, the law on science and technology is relatively stable. Our party has always borne in mind the necessity of drawing up its revolutionary strategy and policies in accordance with the changes in the situation and

the tasks it is facing. To be sure, some policies are relatively stable and must not keep on changing drastically, but it is also necessary to make sure that these policies show a certain degree of flexibility. Relatively speaking, laws are much more stable than policies, although they still have to be revised and readjusted to a certain extent from time to time according to the changing situation. By upgrading to laws the party's and the state's major and relatively stable policies on science and technology and the experience that has been proved correct in the practice of the scientific and technological structural reform, we can ensure that scientific and technological work will not be vulnerable to the influence of the "change in guidelines during different individual periods" and will remain stable despite changes in the leading body or in the views and focus of attention of some leading people. This is an important condition for the stable and steady development of science and technology in our country and therefore the basic guarantee of the fulfillment of our magnificent goal of socialist modernization.

#### Establishing an Alliance of Scientific and Technological Circles and Legal Circles

The so-called legislation on science and technology means the formulation, revision, and abrogation of laws and regulations on science and technology. Its purpose is to exercise rule by law over scientific and technological work. Due to the interference of "leftist" ideology, our country's socialist legal system has remained very unsound for a long time, and the legal system for science and technology as a new field is particularly weak. So far, in many aspects of scientific and technological work, we still have not enacted any laws and regulations. According to statistics, laws and regulations on science and technology account for merely around 1.5 percent of all the laws promulgated by the NPC and its Standing Committee and the administrative laws and regulations enacted by the State Council during the period from the founding of the PRC to late 1985. Moreover, about 70 percent of these enacted laws and regulations on science and technology need to be revised or abrogated according to the actual circumstances of the reform. Therefore, the task of legislation on science and technology is to formulate a series of new laws and administrative regulations and ordinances in an almost completely unexplored field. A particularly pressing task is that we must establish China's basic legal system for science and technology in light of the important policy laid down in the "CPC Central Committee's Decision on the Reform of the Scientific and Technological Structure." For example:

--We must formulate a law on technological contracts which provides the basic norm governing the production and exchange of knowledge as a type of commodity, transform scientific and technological achievements into productive forces with the aid of contracts as an intermediary, and render the principle of "opening up, enlivening, supporting, and guiding" toward the technology market laid down by the party and the state into concrete restrictive rules and regulations.

--We must formulate a law on scientific and technological research institutes; establish the corporate status of research institutes; clearly define

their rights and obligations; and stipulate the conditions for the establishment, reorganization, and abolition of a research institute, as well as its organizational form and administrative structure, so as to give full play to its positive role in scientific research, technological development, and the application of science and technology to economic construction and social development.

--We must formulate a law on scientific and technological organizations, so as to safeguard the legitimate rights of all kinds of societies, research bodies, associations, and academic organizations related to science and technology, and to give full play to the role of these organizations in developing science and technology, fostering scientific and technological personnel, popularizing scientific and technological knowledge, promoting international academic exchange, and expediting the development of material and spiritual civilization.

--We must formulate a law on scientific and technological labor so as to protect scientific and technological personnel's basic right to engage in scientific and technological activities and explore new productive forces, to ensure that the specific principle of "from each according to his ability and to each according to his work" shall be practiced in the field of intellectual labor, and to perfect the wage system, position structure, academic degree evaluation system, training system, personnel selection, employment, appointment, resignation system, and reward and punishment system.

--We must formulate a law and administrative ordinances and regulations which support the reform of the fund appropriation system. We must perfect the bidding system for state-run key projects, the fund system for basic research, the all-round contracting system for operational expenses of research organizations running public welfare undertakings, the investment system for development of new technology, and the legal measures for the implementation of the "spark plan," the revitalization of local economy, and the development of new and advanced technology.

We are undoubtedly facing a very arduous project concerning the legal system for scientific and technological development. The fulfillment of this task needs a group of qualified personnel who have both scientific, technological, and legal knowledge, and rich experience in management of scientific and technological work. It also needs concerted efforts by scientific and technological, economic, educational, cultural, and legal fronts. However, in light of the actual situation, such a contingent currently available in China, in terms of both its quantity and quality, lags far behind the needs of the task of establishing a legal system for science and technology. The present judicial organizations in China are unsound; the vast number of scientific and technological workers in China, with a vague concept of law, are very unfamiliar with legal practices because they have never accepted systematic legal training; and a small number of judicial workers usually lack scientific and technological education background and know little about the operational mechanism of the scientific and technological setup. Therefore, the important approach to strengthening legislation on science and technology is to bring the initiative of the scientific and technological

circles and the legal circles into play and to establish an alliance between them.

Since the 1985 national forum on legislation on science and technology, the State Scientific and Technological Commission has sponsored the scientific study of legislation on science and technology and is planning to launch surveys on more than 10 topics, including "international comparative study of legislation for science and technology" and "study of legislation for new technological revolution," to be undertaken by some survey groups formed by specialists from scientific and technological departments and legal departments on a voluntary basis. Such a practice, which steps up legislation on science and technology by the means of an alliance of the scientific and technological circles and the legal circles, is very likely to break a new path for the establishment of the legal system for science and technology which suits China's national conditions. Such a practice can solve the contradiction between the arduous task of legislation on science and technology and the shortage of personnel specialized in the legal system and ensure that substantial results will be scored in the establishment of the legal system for science and technology within a relatively short period. It can help our scientific and technological workers and legal workers to learn from each other and make up each other's deficiencies through the practice of legislation for science and technology, and thus foster a new contingent of legal personnel which can meet the needs of socialist modernization. The alliance of the scientific and technological circles and the legal circles will also speed up the close integration of science and technology with law, boost the development of natural, legal, and management sciences in China, and thus constantly push ahead the development of scientific and technological modernization and the socialist legal system as a whole in our country.

In his letter to the national forum on legislation on science and technology, Comrade Peng Zhen pointed out: "Stepping up legislation on science and technology in our country is an important task which will help us to put our socialist legal system on a sound basis." We hope that our scientific and technological workers and legal workers who are eager to achieve scientific and technological modernization will take prompt action, unite together, work hard, bravely blaze new trails, and thus make new contributions to strengthening our country's legal system for science and technology and realizing the four modernizations as soon as possible.

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## THE NEW TECHNOLOGICAL REVOLUTION AND CONTEMPORARY WESTERN SOCIAL THEORIES

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 30-35

[Article by Xu Chongwen [1776 1504 3306]]

[Text] A new tide of technological revolution is rising in the whole world. As this new technological revolution gradually develops, diversified social theories are emerging in the West, which probe into the changes that the new technological revolution will bring to social life and which explain and forecast the new situation, problems, and trends that will emerge during the new technological revolution. However, in making this explanation and forecast, Western social theories often ascribe all these to technology and to technology alone. How should we view this? This is a question worth our profound consideration.

Over the past few years, responsible comrades of the CPC Central Committee have time and again pointed out that the new tide of technological revolution that is rising on a world scale, will provide new opportunities and mean a new challenge for our country's economic development. We should study it and draw up appropriate policies in order to grasp the opportunities, catch up with the advanced countries, reinvigorate our economy and make our society prosperous. Therefore, we should not only study and learn from the development of the new technological revolution in the world and formulate an economic development strategy that conforms to our country's national conditions, but we should also apply the basic principles of Marxism to analyzing the contemporary Western social theories that have emerged around this new technological revolution, and study and solve the various social problems that will crop up during the new technological revolution.

### I

The kinds of problems that contemporary Western social theories are focusing on in their research are global problems. What we call the global problem is a special phenomenon that is emerging at the current stage of human history owing to the acceleration of the development of science and technology since the middle of the 20th century. On the one hand, the development of science and technology has opened up new scope for the activities of the human race and greatly augmented the human race's ability to affect nature. As a result, science and technology have become a force as powerful

as nature. On the other hand, when this powerful force is improperly used and gets out of control, it will cause unfavorable consequences and give rise to a series of very complicated social problems that affect the human race and its future. In addition, these problems are entangled and linked with one another and very difficult to unravel. As these problems are of global scale, as they involve the interests of the whole human race, and as it requires the coordinated efforts of the whole world to solve them, they are called global problems.

Global problems first involve problems relating to the interaction between human society and nature. They reflect a dangerous imbalance in the interaction between man and nature and require people to utilize resources in a rational and planned manner and ensure the natural conditions that are necessary for biological activities. Global problems also involve the problems of the contradictions in human society itself that are caused by the contradiction between man and nature. These contradictions are not limited to certain areas on the earth, but are international in nature. The most important among them are the problems related to peace and the economy, which are also respectively called East-West and South-North problems.

The study of global problems is a study that covers various branches of science. Its typical method is "global stimulation." This method was first put forth by the Club of Rome that was established in the Italian capital in April 1968. When this international academic body discussed the various problems arising from the development of science and technology and the economic growth in the West, it held that the situation of the human race on the globe had undergone a radical change: The human race has changed from one of many species of living things into the manipulator of all life on the globe including the life of the human race itself. Man has not realized this change or clearly understood the responsibility he has to shoulder. This has caused global problems to multiply, the exhaustion of natural resources, pollution of the environment, overpopulation, and the outbreak of war. The entanglement of all these problems has given rise to a "human predicament."

Centered on the research into global problems and the "human predicament," the Club of Rome organized its members to edit and write a series of research reports. In its first report published in 1972 and entitled "The Limits to Growth," Professor Meadows of the U.S. Massachusetts Institute of Technology and others used the theory of exponential growth and the feedback loop method of systems dynamics to investigate and study the five major trends that the whole world is concerned about: 1) The acceleration of industrialization; 2) the acceleration of population growth; 3) widespread malnutrition; 4) the exhaustion of nonreproducible resources; and 5) the day-by-day deterioration of the environment. Their conclusion was that if the existing trends of development related to population, industrialization, environmental pollution, grain production, and resource exhaustion remain unchanged, then in the coming 100 years, world development will reach its limit and a crisis will emerge with the collapse of human society. Before the year 2100 comes, world development will stop on its own and the end of the world will come. In order to reverse this development

trend and in order to establish a lasting ecological balance and economic stability, we must adopt various measures to maintain a zero growth in world population, industrial capital, per unit industrial product material consumption, and environmental pollution.

Since its publication, the report "The Limits to Growth" which is regarded as a representative pessimistic report, has yielded shocking repercussions in the world, which were aggravated by the energy crisis in 1973 and the grain crisis in 1974 not long after its publication. However, it was also fiercely attacked by the optimistic faction represented by (Conn) [1660 1869], director of He-de-sen [6378 1795 2773] Institute in the United States. Conn and others think that the major problems that "The Limits to Growth" said that the world is faced with, are in the main problems that can be solved, or that cannot be solved at present but will be able to be solved in the near and medium-term future. They are transitional problems in the period of transition for the human race from world poverty to world prosperity.

The global problems and "human predicament" mentioned by the Club of Rome are in essence problems and harm that have been caused by the accelerated development of science and technology on many occasions owing to the human race's lack of foresight or owing to its failure to control its activities. We should point out that when the human race transforms nature, its activities often yield some unforeseen consequence which later causes harm to the human race. This is a long-standing phenomenon in the history of the human race. Marx pointed out: "If farming is carried out spontaneously without conscious control..., soon land will become wasteland as it did in Persia, Mesopotamia, and Greece." ("Collected Works of Marx and Engels," Vol 32, p 53) Later, in an article entitled "Function of Labor in the Process of Transformation From Apes to Human Beings," Engels expounded and proved this in detail. He pointed out: "If it has taken several thousand years of labor for us to learn a little skill to estimate the relatively long-term impact of our production activities on nature, then it is much more difficult for us to learn the skill to make long-term forecast of the social impact of these activities," "but through prolonged and often painful experience and through comparing and analyzing historical materials, we have also learned some skill in this sphere and thus become able to see the indirect and relatively long-term social influence of our production activities. As a result, it has become possible for us to dominate and readjust this influence."

("Collected Works of Marx and Engels," Vol 20, p 520)

In our times, the development of science and technology is quickening and the scope of human activities has enlarged to the whole surface of the globe and even to the universe beyond the globe. The human race is utilizing nearly all materials and natural resources in the earth's crust. As a result, if we fail to control the human race's effect on nature, there will be increasingly great danger. For human activities may give rise to side effects such as disruption of ecological balance and environmental pollution, which may threaten the survival and future of the human race. This danger is particularly serious when the bourgeoisie only pays attention to the immediate and direct consequence of its activities in carrying out production

and exchange in pursuit of profit. Under this situation, the Club of Rome reminded world press circles solemnly that they had to pay attention to the social consequence of economic growth and scientific and technological progress and be aware of the urgent problems that the human race is faced with in our times. In particular, it objectively proved with rich practical materials that under capitalist social conditions the negative consequence of scientific and technological progress constituted a threat to the human race. All this is obviously of very great positive significance in urging the human race to adopt measures to "control and regulate" the social consequence and impact of the new technological revolution. Even those who have criticized the Club of Rome and its report cannot deny this. Moreover, the Club of Rome's report was not aimed at giving a forecast about the future nor did it strive to describe the actual forms and images of the future. But it analyzed and studied some schemes to solve the problems for people to choose and refer to in making decisions. This practice has something to recommend it.

However, there are fundamental shortcomings in the guiding thoughts and methodology of the Club of Rome in probing into global problems and the "human predicament." This was prominently shown in the fact that it based its analysis on viewpoints and methods on the mutual relations between man and nature that transcend the social systems that had taken shape in history. As a result, its views on global crisis are mostly some abstract concepts about society, economy, politics, and ideology. Most of its methods for solving global crisis are impractical and of a vague and utopian nature. This is because, in real life, the chief cause for the emergence of global crisis is not the development of science and technology or man in its general sense, but is man who selfishly regards as his goal the pursuit of wealth under certain relations of production and social systems, or man who lacks foresight and who acts on nature and society with a narrow pragmatic view. Therefore, in order to solve the global crisis and "human predicament," we obviously do not need an indiscriminate restriction of economic development and an indiscriminate suspension of scientific and technological progress, but we should utilize nature in a rational and planned manner on a global scale. In order to do so, we should transform capitalist social systems which hinder this utilization. For precisely as Engels pointed out, in order to regulate the indirect and relatively long-term impact of our production activities, "it is not enough to rely merely on our understanding. It is also necessary to carry out a thorough reform in our current mode of production and in today's entire social system that is linked with the mode of production." ("Collected Works of Marx and Engels," Vol 20, p 521) The socialist system creates necessary social preconditions for rationally resolving the relations between man and nature and for continuously solving ecological problems.

In fact, during the debate and discussion centered around the article "The Limits to Growth," the Club of Rome has also gradually revised its viewpoints. For example, it switched from upholding zero growth to upholding "organic growth," shifted its attention from physical limit to growth to social limit to growth, and switched from the view that regards man as a passive resistant against nature to the view that advocates developing

man's latent ability and thus putting the development of things finally under man's control. However, after all, in analyzing and overcoming global crisis, the Club of Rome has not focused on analyzing and resolving the social essence of the global problems, but focused on the policy of hoping that people will change their values and on substituting one system of values for another. By so doing, it has ignored the fundamental relations between the social consequence of scientific and technological progress and the social system that determines the orientation and development of scientific and technological progress. As a result, the various methods of solution put forward by it are unable to really solve the problems.

## II

Another issue that contemporary Western social theorists have focused on in their study is the issue of social development, in other words, the issue of the social consequence of the new technological revolution. For example, Walt W. Rostow published "The Stages of Economic Growth" in 1960, and "Politics and the Stages of Growth" in 1971, John Galbraith published "The New Industrial State" in 1967, Raymond Aron published "Industrial Society and Development of Social Strata" from 1967-1968, Toffler published his "The Third Wave" in 1980, Nisbet published his "Grand Trend" in 1982, and Yonetsu Matsuda published "The Information Society" in 1983. All these books contain the theories in this area.

Western theorists have put forth a series of theories about "new civilization" and "new society" to explain and forecast the social consequences of the new technological revolution. These theories are expounded in books such as Da-lun-duo-fu's [6671 0343 1122 1133] "Postcapitalist Society," Li-xi-te-hai-mo's [0448 1585 3676 3189 7817] "Postbourgeois Society," Baldin's "Postcivilized Society," Carr's "Pluralistic Society," Brzezinski's "Electronic Technological Society," and Tu-lan's [0956 5695] "Programmed Society." However, among all these theories, the most typical and representative is the theory of "postindustrial society" put forth by Professor Bell of Harvard University in the United States.

As far back as in 1959, in the light of the new trend of switching from mainly developing commodity production to mainly developing the undertakings to provide service in U.S. economy Bell put forth the concept of "post-industrial society." At a symposium in the spring of 1962, Bell gave a lecture entitled "Postindustrial Society: A Theoretical Viewpoint Characteristic of the 'Postindustrial Society'--the Role of Intelligence, Technology and Scientific Theories in Social Changes." In 1973, Bell formally published a book entitled "The Advent of Postindustrial Society," in which he started from the changes in the composition of production and labor to expound on and prove the following five characteristics of the "post-industrial society":

- 1) From the point of view of the composition of economy, the main sector of development in social economy has switched from commodity production to service trade; 2) from the point of view of professional distribution, the number of white-collar workers and managerial personnel has exceeded that of

blue-collar workers; and scientists, engineers, technicians, medical workers and teachers have formed a class of professionals that has become the core of the "postindustrial society"; 3) from the point of view of social axis, theoretical knowledge has a key position in the "postindustrial society" and become a basis for guiding the reform and formulating policies; 4) the orientation for future development of technology is controlled and assessment is made about technological development; and 5) intellectual technology is developed and intuitive judgment is replaced by scientific decisionmaking rules. Bell holds that as the division of social strata and the establishment of the system of social power are based on possession of the scarce resources in the society, unlike a preindustrial society where power is in the hands of landlords and the military who possess and defend land resources, and unlike an industrial society where power is in the hands of enterprise owners who possess machines, in a postindustrial society, power is in the hands of scientists and research workers who master knowledge and information.

When the book "The Advent of Postindustrial Society" was reprinted in 1976, Bell gave eight aspects of detailed exposition on the difference between the "postindustrial society" and the current industrial society and narrated some additional marks of the "postindustrial society." In 1979, Bell wrote another article entitled "The Information Society," in which he clearly points out that the imminent "postindustrial society" is also an "information society" that is based on production and processing of knowledge, and that by the 21st century, the consequence of combining the computer and telecommunications technology that is based on microelectronics, may be of decisive significance for the methods of economic development, social communication, and creation and study of knowledge, and for the characteristics of the professions and jobs that people are engaged in.

Contemporary Western theories on economic development represented by Bell's theory on "postindustrial society" have summed up and forecast production development under the new technological revolution, expounded on the changes in production composition, economic structure, production scale, social division of labor, production organization and economic management system that will be caused by the development of productive forces stimulated by the new technological revolution. They have put forth the theses that the new technological revolution will cause knowledge and wisdom to play an increasingly important role in economic and social development and become a key to the competitive edge and economic achievements of enterprises and that information technology has invented a way to substitute machine for mental labor, given rise to a reform in the modes of labor, improved the productivity of human mental labor and thus accelerated economic development. All the above has vividly and clearly described to us the trend that under the conditions of the new technological revolution, science is gradually and directly turned into productive forces. This enlightens us and provides us with something to refer to in formulating our economic development strategy and policy.

However, on the other hand, these contemporary Western theories on social development have revealed many of its errors when they try to prove by

reasoning that the new technological revolution is creating conditions for the evolution of capitalist society into a new society and civilization:

First, all these theories have ignored relations of production and divided up stages of modes of society and stages of social development in the light of economic and technological level alone. This is obviously not scientific. For while people can start from productive forces and use the concepts of agricultural, industrial, and information society to indicate the specific economic and technological level that a society has attained, just as Marx said, "whatever the social forms of the production," it is after all the "special modes and methods" that "combine laborers with means of production" that determine that the structure of society is divided into "various different economic periods." ("Collected Works of Marx and Engels," Vol 24, p 44) If the factor of relations of production is ignored, it is impossible to disclose the characteristic of social economy in organically linking all aspects of social life and forming them into a unified and integrated society. It is even more untenable to ignore the difference in social economic modes and regard, in the light of the yardstick of productive force, capitalism and socialism as two different forms of industrial society which will develop in the same direction and will both become "postindustrial society" and "information society."

Second, these theories regard the role of production technology in the development of current society as absolute. They seem to hold that the development of science and technology will automatically give rise to a reform in capitalist relations of production and social system. This is obviously an impractical illusion. Applying some achievements of modern science and technology to production may give rise to many changes, but after all, it cannot remove the innate contradictions and defects of the capitalist system. It may give rise to certain changes in capitalist relations of production, but these changes can only take place within the scope of capitalism and within the boundary allowed by the capitalist private ownership of means of production. Therefore, if we do not thoroughly eliminate private ownership through a social revolution, no technological revolution can ever turn capitalism into any new society. In fact, what Western social theories have done is to cover the practical contradictions in current capitalist society by talking about the fantasies in this sphere.

Third, these theories boundlessly exaggerated the rise of management personnel and the role of scientific and technological intellectuals in production, regarding this as the emergence of a new ruling class and the rule of able people, the coming to power of the stratum of professionals, and the deprivation of the bourgeoisie's leading position in society. They exaggerated it and regarded it as a change in the conflicting relations in the society. This obviously does not conform to reality. In the era of monopoly capitalism, in spite of the continuous intensification of the trend of separation between the ownership and management of capital and in spite of the process of production management work gradually becoming a profession, a process which has given rise to a special social group of management officials or managers, capitalists have by no means lost their ruling position. For "capitalists' management is not only a special function that emerges because

of the nature of the process of social labor and that is a part of this process, it is also a function of the process to exploit social labor; therefore, it is determined by the unavoidable confrontation between exploiters and those they exploited." ("Collected Works of Marx and Engels," Vol 23, p 368) Even less does the growth of the role of scientific technological intellectuals mean the emergence of the rule of a new ruling class--the rule of able people. For facts have clearly proved that the enterprise owners who employ scientific and technological experts give far more guidance to the activities of these experts than the latter do the activities of the former.

### III

The contemporary Western social theories that have emerged in the course of the research centered around the new technological revolution involve many branches of sciences and many issues, including the new issues that the traditional sciences such as economics, politics, ethics and philosophy have encountered under the situation of the new technological revolution; issues that rising branches of sciences such as futurology and ecology and frontier sciences are carrying out research into; and also comprehensive issues that several different branches of science are jointly carrying out research into. The trends of thoughts related to these theories have been divided into many factions. Roughly, we can say that these factions can be classified into two opposite and confronting groups: Some of the factions flaunt the banner of science, while others are proud of opposing science; and some of them publicize radicalism while others advocate new conservatism; and some uphold pessimism while others uphold optimism....

However, in spite of the above-mentioned differences, all contemporary Western social theories are the continuance and development of Western social theories under the conditions of the new technological revolution and they all contain to various degrees the following two aspects:

One aspect of the contents is synthesis and analysis of the social consequences of the new technological revolution, explanation of the development in social productive forces and the new changes in social life that the new technological revolution may give rise to, and forecasts on the social development in the sphere of production. This is a crystallization of the advanced scientific and technological achievements scored by the human race in our times and reflects some common laws that govern the socialized mass production and development of commodity economy under the conditions of the new technological revolution; therefore, it has fairly great cognitive value for our reference and we should not negate it at will. If we assess it from the point of view of the development of productive forces, in particular the development of technology, the conclusion is just as Marx said in his preface to the first edition of "Das Kapital": "It is these laws themselves, and the trends that are playing their role with inexorable inevitability and that are being realized, that matter. What industrially developed countries display to relatively industrially underdeveloped countries is precisely what will take place in the latter in the future." ("Collected Works of Marx and Engels," Vol 23, p 8)

Another aspect of the contents of contemporary Western social theories is the erroneous ideological tendencies that they embody.

All contemporary Western social theories study the development of science and technology divorced from social conditions. Some of them regard the progress of science and technology itself as something able to overcome all contradictions and as a panacea that can cure all diseases, as if the development of the new technological revolution could infuse new vitality into the capitalist society that is encountering crisis after crisis, help it get rid of its crises and predicaments, and bring it to a wonderful new era and new society. They try to inspire people with this illusion. Others blame the civilization of science and technology alone for the actual contradictions and negative tendencies in the application of scientific and technological achievements in capitalist society which is characterized by antagonistic contradictions, and regard it as the ultimate cause for all disasters including the population explosion, aggravation of unemployment, ecological crisis, environmental pollution, deterioration of land fertility, exhaustion of resources, and the nuclear threat that the human race is faced with. They categorically assert that extinction of the human race will be unavoidable, if the human race follows the path of "technological civilization." Therefore, they call on people to overcome the "human predicament" by means of restricting economic development and suspending scientific and technological progress and to thus avoid a tremendous disaster which will mean the end of the world. Despite the differences between optimists and pessimists on contemporary Western social theories and between scientism and nonscientism, they all have an ideological tendency that can be called "technology determines everything." They metaphysically separate scientific and technological progress from the specific social and historical conditions under which the progress has been realized. On the one hand, they regard as absolute the relatively independent role of science and technology in social development and regard the development of science and technology as something that is independent from social conditions. On the other hand, they boundlessly exaggerate the scientific and technological aspects of social development and ignore its economic and political aspects, regard science and technology as the only factor that determines social development, imbue it with an independent life beyond human control, regard it as a force that dominates the destiny of the human race and its society, and thus become bogged down by the "theory that technology determines everything."

Marxists always attach great importance to the development of science and technology and hold that science and technology is a productive force, a revolutionary force that pushes history forward, and a powerful lever for the development of history. The development of science and technology marks an improvement in man's ability in transforming nature. However, in the course of transforming nature, people must form certain relations between them. When these relations are not suited to the development of science and technology, there will be contradictions between the former and the latter, which will disrupt people's ability to transform nature. In fact, in bringing welfare or disaster to the human race, science and technology never plays its powerful role spontaneously, but does so under certain relations of production and in accordance with certain goals of certain

societies, classes, political parties and countries. Science and technology is not only created by people, but the orientation and nature of the application of its achievements is also determined by people and by the social organizations for people's activities. Therefore, in analyzing the various problems related to contemporary capitalist society, we should not regard technology as the cause of all the problems even less should we regard technology as the only cause. Comrade Deng Xiaoping pointed out: "Some people in the world have said that technology determines everything. We should not blindly believe this idea." ("Selected Works of Deng Xiaoping," p 74)

However, the above-mentioned two aspects of the contents of contemporary Western social theories are closely linked with each other and interwoven. Therefore, when we assess these theories, we should apply the doctrine that everything has two aspects and should not think that a thing has only one aspect. In other words, we should not regard them all as evil theories to negate, nor should we regard them all as truth to accept without reserve. We must adhere to the Marxist principle of seeking truth from facts and making specific analysis. We should refer to and absorb valuable ideological materials provided by them and also expose their erroneous ideological tendency of the "theory that technology determines everything" and make a clear demarcation line between Marxism and them.

At the National Conference of Party Delegates, Comrade Deng Xiaoping called on us to study Marxist theory, probe, on the basis of the basic principles and methods of Marxism and in the light of the changes in reality, into the way to solve new basic political, economic, social and cultural problems, and thus develop Marxist theory itself. Obviously, it is also one of our magnificent tasks to analyze and evaluate under the guidance of Marxist theory and in a truth-seeking manner the contemporary Western social theories that have emerged owing to the new technological revolution and to correctly answer the various questions put forth by these theories.

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A GREAT WILD GOOSE WINGING ACROSS THE VAST WORLD--A PORTRAIT OF THE CELEBRATED  
TENOR WU YANZE

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[Article by Zhao Ruitai [6392 3843 3141] and Lu Baixing [7120 2672 5281]]

[Text] The outstanding singing artistry of Wu Yanze [0702 7159 3419] is greatly appreciated by vast audiences within the nation. People praise him as the "Chinese-style tenor we have long hoped for," as "the pride of our nation's vocal music," and "an 'engineering soldier' opening a passage for schools of Chinese national style." His beautiful voice has also been highly praised by audiences and experts in many countries. In Pyongyang, Korea, he performed "Sing! Wanjingtai Junction" and drew thunderous applause from the whole hall. President Kim Il-song also excitedly stood up and applauded him. In Japan, his performance of a Japanese folk song had everybody spontaneously standing up and dancing for joy. In the famous music center of Milan, Italy, audiences are universally recognized as having the highest level of musical appreciation in the world. When they heard Wu Yanze sing "O, Sole Mio" in Italian, the whole auditorium broke into wild applause. The people were shouting "bravo" and were throwing flowers to this singer from China.

Through 20-plus years of diligent study and practice, Wu Yanze has finally developed a school of his own in the field of musical artistry and has become famous within China and abroad. However, what has caused him to be even more welcomed and even more praised by the vast masses is that he unselfishly gives his art to the people, that he has a sincere feeling for maintaining flesh and blood ties with the masses, and that he has a strong, conscious sense of mission in regard to the music of the times.

Artists Must Have a Noble Sense of Social Responsibility

At one time, Hong Kong and Taiwanese songs and copies of them were all the rage. Wu Yanze did not follow this trend. A strong sense of responsibility drove him to painstakingly choose a number of healthy songs which also had a high degree of artistry, and he arranged a solo concert in Wuhan.

On his recital program were "Our Leader Mao Zedong," "Holding Red Dates and Thinking of Zhou Enlai," and other such revolutionary tunes; "Night on the Grasslands," "Rafting on the Qing Jiang," and similar folk tunes; and

"Golden Shuttles and Silver Shuttles," "A Toasting Song," and other outstanding creative works. There were "Three Carts," "Serenade," and other famous foreign songs. The final item was "If There Was No Communist Party, There Would Be No New China." There were no songs like "do not pick flowers by the side of the road."

As soon as the program was printed, there were all sorts of comments: "What age is it? Still singing these sort of songs!" and "Old Wu is already a famous singer both in China and abroad. If by chance he is 'booed' off the stage this time by the audience, he will be taking a chance with his reputation!"

At that time, being "booed" off the stage was a real possibility. However, Wu Yanze's response was firm and unwavering, and he replied: "Even if people 'boo,' I will still sing. In fact, I will sing with even more assurance!" The theater manager supported him in this.

The solo concert went ahead on schedule. Every song he sang brought round after round of thunderous applause from the 1,500 listeners in the theater. In this wave after wave of mounting applause, Wu Yanze heard the ardent expectations for and warm calls to literature and art workers by the times and the people. He truly wished to leap off the stage and firmly embrace the ardent listeners. And the vast audience? From the songs which Wu Yanze fully imbued with true feeling, they saw a great wild goose flying high, progressing forward with the times, pressing ahead with indomitable spirit. The people could not help but exclaim in praise: Old Wu is truly our own singer!

The masses' enthusiasm more firmly encouraged his pursuit and his faith. After this, he took this program and went to Hunan, Fujian, Guangxi, Shanghai, Tianjin, and Beijing to perform it. He accepted invitations to participate in performances; however, he did not drift with the current, but persisted in performing healthy songs. At one time, he was performing a solo concert in the Shanghai Music Hall. After listening to his performance, the music hall workers exclaimed that when Wu Yanze performs, his offstage actions are also very good. It is not like at some other performances where performers would be whistling loudly offstage, knocking chairs around, yelling, and making a racket. Facts have shown that in one's practice, what is only an inch onstage becomes a foot offstage. If a performer's stage manner is good, people will expect much of him. These workers specially presented Wu Yanze with a horizontal board, inscribed with the characters "The Voice of the Wild Goose Shakes the Seas."

#### Artists Must Treasure Their Own Value

In the last few years, among some people the "new" value concept of "seeking money in everything" has become prevalent. This wind has also blown into the hearts of some "spiritual engineers." Wu Yanze has undergone the tests provided by this wind. He used words of self-exhortation, saying: "A spiritual engineer for mankind must conduct himself with dignity!"

The Spring Festival is the golden time for literature and art performances, and the rewards are also usually quite rich. But Wu Yanze's ideas are not like this. One year at the Spring Festival he happened to accept an invitation of some woodcutting workers. He traveled a great distance to perform for the masses in Daxing and Anling in the northeast. Once he provisionally accepted an invitation and flew to a particular city for a concert evening. When he was making pre-performance preparations backstage, he heard some people arguing nonstop about the pay they were to receive for performing. On hearing this, Wu was very angry. He immediately changed out of his performing clothes and, even though it was night, he went to buy an air ticket home. After the event, some people complained to him, saying that he did not understand human feelings. He sternly replied: "Perhaps I should not have cancelled the performance, but when I saw that scene I felt an unspeakable pain in my heart. If an artist does not treasure his own value and places too much stress on money, it will destroy art and human dignity will be lost!"

According to regulations, performance should be appropriately rewarded. However, he often refuses to accept even a reasonable reward. He often gives voluntary lectures for singers and music lovers and does not accept a cent. Sometimes people try to force money on him, but he firmly declines. As a singer who has already achieved a name, Wu Yanze realizes that glory is given by the party and the people and that it means that he must shoulder greater obligations and responsibilities than ordinary people. He has never used his reputation to achieve private gains; still less has he had a craving to "modernize" his small home. His home is as simple and unadorned as those of his many comrades in the theater. One comrade who has been to his home said: "Apart from a piano in one corner of the house, his house is unlike that of someone who is a celebrated singer both in China and abroad!"

#### Artists Should Always Think of the People

Wu Yanze once went to see off a Japanese guest who was leaving by ship, and several sailors and travelers asked him to sing. He stood up and sang. The Japanese guest was very startled and praised him, saying that in other countries first-rate singers like Wu Yanze certainly would not just get up and perform off-the-cuff in front of people. Chinese artists were certainly one with the masses, which was truly extraordinary!

Actually, events like this are quite ordinary for Wu Yanze. When he is traveling, he often sings a few songs for travelers on the train or boat. When he goes to the market to buy vegetables, goes to the post office to pick up a package, or visits a factory, he often sings for the masses. The masses all say that he never puts on airs. Wu Yanze sincerely says: "I am a singer of the people and do not feel that I have any airs to put on."

A handicapped young person from Hengyang in Hunan had studied music by himself through indomitable willpower and had written two songs praising new life. He contacted some singers, but some would not waste their time and others would not open their mouths other than for money. Later, he thought of Wu Yanze and with the thought of giving things a try, asked his sister to

take the song scores to Wuhan. After Wu Yanze heard them, he was deeply moved and he immediately said: "However busy I may be, I still want to sing these songs. And I certainly will sing them well. Ask him to relax!" Wu Yanze practiced hard on these songs which had been written by this "nobody" he had never met and used his own tape to tape them. He also taped some warm words of encouragement for the writer and personally sent them back to him. On hearing his own composition being performed by the famous singer Wu Yanze in such a moving way, this strong young man who had spent many years struggling with his serious illness, broke down into tears. He wrote a letter to a newspaper, expressing his gratitude to Wu Yanze.

What was even more moving was a performance he gave for some young persons who had taken a wrong step in life. In May 1984, Wu Yanze went to a juvenile offenders' reformatory to give a performance. When he went up onto the stage, he saw all the young faces from which the childishness had not yet gone and his heart immediately tightened. After a long time, choked with tears, he said: "My beloved friends, my brothers and sisters!...." These young people who had taken a wrong step in life really did not think that a famous singer would address them so intimately, and immediately the whole hall broke into sustained applause!

Wu Yanze continued, saying: "Your parents all hope that you will become people of use to society. You have come here and they are so grieved! Perhaps at this moment they are at home thinking about you, longing for you to quickly come back! Please listen to a song!"

Then, eyes brimming with tears and with deep feeling, he sang "Momma, oh Momma. My beloved Momma. You weaned me on your sweet milk and brought me up. Now I am grown. How can I repay you..." This moving song was like a fresh stream flowing into the children's dried hearts. They listened and listened and quietly began to sob. Many of the children could not bear it and burst into wailing tears! They separately ran up to Wu Yanze and embraced him, saying that they would certainly and sincerely mend their ways and they would not disappoint Uncle Wu in his hopes for them. Later, when some of the children left the reformatory, they specially went to see Uncle Wu to tell him of their thoughts and to thank him for his help.

People need art, but art needs people even more. The reason Wu Yanze does not strive for fame or for private interests and why he does all he can to contribute all his art to the people is because he deeply recognizes that his art was given by the people. If he had divorced himself from nurturing the party and the people, how could Wu Yanze be where he is today!

Wu Yanze was born into a poor doctor's family in Boshan County, Shandong. His parents both died when he was young and the family was in great difficulties. After liberation, he finished middle school with the assistance of a people's grant-in-aid. It was thus the socialist system which allowed this poor child from the mountains to stride forward and become our nation's most famous singer. From school, he went to work. How many people did their best in training him; how many people warmly concerned themselves for him, helped him, and supported him--even he cannot put a figure on it. He clearly

understands that it was the milk of the people which nurtured him and which allowed him to become a famous singer. His art is not an individual's art, but the art of the people. He does not have the right to put out his hand to the party or the people asking for unreasonable fees. For him, offering his abilities to the people is very natural indeed!

In his heart, Wu Yanze firmly remembers Comrade Deng Xiaoping's earnest instructions: "The people are the mother of literature and art workers. The artistic fate of all progressive literature and art workers is in having a flesh-and-blood relationship between themselves and the people. If this relationship is forgotten, overlooked, or severed, their artistic fate will be dry and devoid of inspiration." In his thoughts, Wu Yanze trusted these words without wavering, and in his deeds, he adhered to them without swerving.

In August 1985, Wu Yanze was appointed as head of the Wuhan Institute of Song, Dance, and Drama. Not long after he took up his post, he took a small art group to perform in the old Hunan-West Hubei soviet area. At this time were the two major festivities of the "mid-autumn festival" and "national day," and the people of the old soviet area banged gongs and drums as if they were welcoming relatives and crowded the road to welcome Wu Yanze and his group. The small group sang songs of the times, expressing the people's feelings. They were unprecedently well received by the masses there. If one performance a day was insufficient, then they would put on two or three. Some people watched five performances. Wu Yanze, who was group leader, artistic director, and performer, fell sick through fatigue when in the village and the people of the old soviet area sent him flowers. After Wu Yanze had been given an intravenous drip, he continued with the performances. Between performances, Wu Yanze never forgot to suck the sweet milk of mother earth. He led the group members to view the revolutionary history museum and to pay their respects at the martyr's cemetery. They also followed in the footsteps of the Honghu Red Guards and received the baptism of revolutionary tradition. Facing this glorious land and people, Wu Yanze and the members of the group he led gained a further understanding of their responsibilities. The performances they gave subsequent to this were brimming with even greater fervor.

In artistic practice, Wu Yanze has come to clearly recognize that Chinese artists, who bear the arduous responsibility of building socialist spiritual civilization, must be equipped with both a noble ideological plane and a superior artistic level and at the same time must have a conscious sense of mission of the times. Only thus will they be able to fully bring their artistic skills into full play and only thus will they be able to keep pace with the times and be welcomed by the people. We happily note that in the wide world of serving the masses, Wu Yanze, this strong and vigorous great wild goose, is flying higher, higher....

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## REFORM MUST MEET THE NEED TO DEVELOP THE SOCIALIST COMMODITY ECONOMY

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 39-43

[Article by Zhang Zhuoyuan [1728 0587 0337]; first paragraph is RED FLAG introduction]

[Text] Editor's note: Premier Zhao Ziyang's report on the Seventh 5-Year Plan at the Fourth Session of the Sixth National People's Congress pointed out that in order to fulfill the tasks of reform of the economic structure during the Seventh 5-Year Plan period it is necessary to have full understanding of the following: 1) That reform of the economic structure must meet the need to develop the socialist commodity economy; 2) the difficult and complex nature of the transition from the old to the new structure; 3) the importance in the reform to care for both current interests and long-term interests and partial interests and whole interests; 4) the urgent demand imposed on the enterprises by the new situation of the reform; 5) the importance of government organs changing their management functions and improving their work style; and 6) the promotional and assuring role of strengthening the enforcement of the law vis-a-vis the reform. In the course of the cadres' theoretical studies and learning about the policy situation, these six points of "full understanding" should be treated as the major points and should be studied intensively and thoroughly by integrating theory and practice. In order to help the readers to deepen their understanding, we shall continue the exposition of these "six full understandings" in this article and subsequent articles.

The "Decision of the CPC Central Committee on Reform of the Economic Structure" clearly points out: Socialist economy is a planned commodity economy based on the public ownership system. This is the theoretical conclusion we have derived from studying and summing up the experiences in socialist construction both inside the country and abroad after having gained a full understanding of the nature and special features of socialist economy. This has pointed out to us the correct direction for our reform of the traditional economic structure and for establishing a new pattern for the economic structure. Premier Zhao Ziyang's advocacy in his report that reform of the economic structure must meet the need to develop the socialist commodity economy manifested the conclusion and correct direction of this theory.

## Attaching Importance to or Rejecting Commodity Monetary Relations Are the Respective Basic Hallmarks of the New and Old Economic Structure

Traditional economic theories have always placed socialist planned economy and commodity economy in opposition and taken the law of value as an alien force. On the basis of this theory, many socialist countries have set up an economic management structure which is highly centralized, relies mainly on administrative control, and rejects the use of commodity monetary relations. For a prolonged period, this has even been considered as the only workable form of a socialist economy. However, through several decades of actual practice, people have increasingly felt that this management structure does not fully comply with the objective laws of socialist economic development, has various drawbacks as specially and clearly manifested in the entirety of socioeconomic activities lacking life and vitality, and is responsible for low and poor economic results. This is because rejecting commodity monetary relations and refusing to admit enterprises are relatively independent commodity producers and operators and making all economic activities almost wholly abiding by orders from leadership organs at the higher levels, particularly the directives of planning organs, quite naturally have depressed the enthusiasm of the tens of thousands of enterprises and tens of millions of workers and made the social economy unable to operate in a lively and flexible way. At the same time, without going through the market as the nucleus, it would be difficult to understand the needs and the changes in demand on the part of society and consumers. Poor information and news will frequently make the plan depart from reality and the goods become unmarketable. This will cause a large accumulation of products on the one hand and a shortage of many kinds of goods on the other hand, thereby causing an imbalance in proportion and waste in social labor power. Therefore, when a socialist economy has developed to a definite stage, particularly when the social economy demands attaching greater importance to enhancing effects and maintaining flexible operations, the demand necessarily arises for reforming the overcentralized economic structure. The main content of this kind of reform is the ability to fully utilize commodity monetary relationships and the market mechanism to improve our economic organization and management work. Since the 3d Plenary Session of the 11th CPC Central Committee, a series of highly effective policy decisions of the party Central Committee on reform of the economic structure have been made on the full understanding that a socialist planned economy must vigorously develop commodity production and commodity exchange, that it must better utilize the market mechanism and regulation by market mechanism, and that we must firmly abandon the concepts of natural economy or seminatural economy which have placed planned economy and commodity economy in antithesis to each other.

The recognition of socialist economy as a planned commodity economy is a big leap forward in the understanding of the nature of a socialist economy. This is because such an understanding not only recognizes the existence of commodity monetary relations in a socialist economy, but also definitely affirms that a socialist economy is still a commodity economy seen from its structure as a whole. In the past, even people who believed that only the coexistence of the two forms of public ownership system could denote the objective certainty of the existence of socialist commodity relations and people who

opposed the vigorous development of socialist commodity production and commodity exchange could generally admit the existence of commodity monetary relations in a socialist economy, even though they would not admit that a socialist economy is a kind of commodity economy. There were also people who supported searching for the causes of the existence of commodity relations in a socialist economy under the system of ownership by the whole people, but they would not agree that a socialist market structure should include a currency market, a technology market, and so forth. This in reality was a refutation of a socialist economy being generally viewed as a sort of commodity economy. In contrast with this, to definitely take a socialist economy as a sort of commodity economy implies the admission that by far the greatest proportion of the economic activities of the whole society must be carried out by means of commodity monetary relationships. For example, industrial and agricultural products, aside from a small portion (less than 10 percent in the case of industrial products and around one-third in the case of agricultural products) for self-use, all have to be taken as commodities which must go through the circulation process; moreover, following the progress in technology and development in production and a rise in the specialized and socialized level, the commodity rate of industrial and agricultural products, particularly agricultural products, will be further enhanced. Developing the socialist economy is tantamount to developing the socialist commodity economy and thoroughly removing the shackles of a natural economy. A planned organization, regulation, and control of socioeconomic activities is tantamount to planned organization, regulation, and control of the activities of a commodity economy; enterprises, in their capacity as cells of a socialist economy, relatively speaking, are all independent commodity producers and dealers or operators carrying out independent accounting and autonomous operations and assuming sole responsibility for their own profits or losses. A socialist economy principally takes advantage of the lateral flow of information between enterprises and market forces to coordinate economic movements. There is respect for the principle of exchange at equal value in developing lateral economic relations. The market mechanism as an internal mechanism of a socialist economy will play an increasingly important role. These are just some examples.

An intensified understanding of the status and role of commodity monetary relations in a socialist economy will further clarify the guiding thoughts in our enforcement of the reform of the economic structure, raise everybody's consciousness in joining the current of reform, and thereby advance our country's socialist modernization program.

#### Attaching Importance to Circulation and Fully Bringing the Role of Market Mechanism Into Full Play

Since a socialist economy is also a commodity economy and commodities are products which are subject to exchange and circulation, then circulation plays an exceedingly important role in socioeconomic life. Society's conscious planning, adjustment, and regulation of production and economic life as a whole all the more cannot be separated from rationally organizing the circulation process or from utilization of the market mechanism. They

will require the use of the principle of exchange at equal value to adjust and regulate the economic interests on various sides. Following the state's control over the enterprises gradually shifting from direct control to principally indirect control, the state will increase its use of the law of value and price levers; in other words, it will use the guidance functions of the market and circulation to realize the planned and proportionate development of social production and to achieve the rational distribution of social labor and the effective allocation of resources among the various departments of the national economy. In invigorating the economy, first we invigorate circulation and the market. In the operation of a socialist economy, in order to bring about a benign cycle, speed up the turnover of funds, and enhance their efficiency rate in use, it is necessary to start by properly and well organizing socialist circulation. Any commodity producer or entrepreneur, or even the whole national economy, will find it exceedingly important for the flow of commodities to be smooth, for the raw materials, fuels, and so forth needed in commodity production to be procured normally and readily, for the prices to be appropriate, for the products to be speedily marketed, and for more profits to be earned. Some time ago, certain rural areas were found to have problems of "difficulties in buying and selling," adversely affecting the development of production and causing waste in social labor. This illustrates the important status and role of the circulation process in developing a commodity economy.

In line with the progress of the reform of the economic structure and following our national economy gradually shifting to the track of a planned commodity economy, we should attach all the more importance to circulation, strengthen our research on the problems of circulation, reform the circulation structure, and solve the problem of stagnant circulation, so as to push forward the smooth progress of socialist modernization and construction.

Actual practice in the reform of our country's economic structure has brought to the fore the question of circulation. Our study of socialist circulation theory has obviously lagged behind the actual practice in reform and construction. For example, for a long time our economic scholastic circles have failed to make a good study of the scope of funds and have not made any intensive study or analysis of the rotation and turnover of the funds of socialist enterprises. Comparatively speaking, they have attached importance to studying the effects of labor consumption and frequently neglected to study the effects of the possession and use of funds. In fact, at times, seeking the benefits of funds was considered a deviation from the classical line. For many years we have considered the role and sphere of the market mechanism as being extremely narrow. At first we recognized only the existence of consumer goods market. This was subsequently followed by recognition of the existence of a market for the means of production, while studies on a socialist market system, which includes a currency market and technology market, have only made a start. Up to now, regarding the rational limits for the current volume of currency circulation in our country, we have not yet advanced any theoretical propositions that are convincing and can stand the test of actual practice. Furthermore, as for how to cleverly and in a coordinated manner carry out a monetary policy, financial policy, foreign trade policy, and policy in regard to the individual's income, so as

to coordinate and control macroeconomic proportions, is still a new problem for investigation. The low efficiency rate of our country's economic activities may be ascribed to the backward state of our country's tertiary industry, particularly its subsidiary trades such as finance, insurance, information, technical counselling, and so forth. In turn, this is closely related to people's attaching little importance to circulation and to our as yet overly weak studies on the socialist circulation process.

The decision of the CPC Central Committee is that the reform of the economic structure during the Seventh 5-Year Plan period should principally be developed along the following three lines: 1) Further strengthening the vitality of the enterprises, particularly the large and medium-sized enterprises under the system of ownership by the whole people, enabling them to truly become socialist commodity producers and operators which are relatively independent economic entities, able to operate autonomously, and solely responsible for their own profits and losses; 2) further developing the socialist commodity markets and gradually perfecting the market system; and 3) the state's management of the enterprises gradually shifting from principally direct control to principally indirect control and setting up a new socialist macroeconomic control system. The reforms in these three directions are mutually related. Based on the experiences gained from actual practices over many years in expanding the decisionmaking power of the enterprises and in order to further promote the reform of the economic structure, the framework for the new structure should be set up, gradually reaching the stage in which the new structure will perform a leading role in the various sectors. Next year and year after next, the major jobs should revolve around the theme of making the enterprises fully enforce independent business accounting and autonomous operations, be solely responsible for their own profits and losses, and become capable generally under conditions of equality of creating conditions for carrying out the reform. Of the reforms, the most important are to duly display the role of the market mechanism and set up and improve a socialist market system. Originally our country was one in which commodity economy was extremely undeveloped. Development of the markets has been in a very unhealthy and weak state. Moreover, due to the demarcation of spheres of influence between the departments and regions and the regions generally enforcing a closed-door policy, a socialist united market has not been really established well. But in the absence of a relatively fully developed and perfect unified market, enterprises cannot compete under the same market conditions and thus the phenomenon of unequal fortunes due to different conditions or circumstances has been relatively prevalent among the enterprises. Thus, it is not possible to talk about truly invigorating the enterprises and making them solely responsible for their own profits and losses and it is also difficult to carry out the theme of macroeconomy shifting from principally direct control to principally indirect control.

#### A Socialist Commodity Economy Must Achieve Coordinated Development Under Macroeconomic Control

If we want to reform the economic structure in accordance with the need to develop a socialist commodity economy, it is necessary to grasp well the

special features of a socialist commodity economy. Premier Zhao Ziyang has pointed out the special features of a socialist commodity economy as comprising the following three major points: 1) It has the public ownership system as the basis; 2) it enforces the principle of distribution according to work; and 3) it is planned and controlled. Generally speaking, a socialist commodity economy must achieve coordinated development under macroeconomic control and cannot be allowed to develop in a state of anarchism.

According to the basic theories of Marxist political economics, a commodity economy has an intrinsic and spontaneous character and can easily embark on the road of blinding developing, bringing along a waste of social labor. A socialist commodity economy is built on the basis of the public ownership system. To develop the national economy, the state formulates a plan which forms the basis for the employment of economic, legal, and administrative measures to coordinate the whole macroeconomy and to enable it to develop generally on a proportionate basis. Reform of the economic structure does not call for the state to abandon its control over the economy, only for it to change the object of its control from being all-inclusive to principally controlling the macroeconomy, the nucleus of the plan being to effectively control the growth of the social gross demand. At the same time, the state is to rationally utilize resources and increase in a planned manner the social gross supply, to the end that the social gross demand and social gross supply will be mainly balanced. Concurrently, the state will lay aside the large amount of microeconomic activities and allow the enterprises and the workers to make the decisions and to handle them themselves. The state's direct control over the enterprises should be changed from being principally direct control to indirect control and from using administrative methods to principally using economic measures; that is, principally by means of the role played by prices, credits, and loans and taxation in the course of circulation, to enforce guidance and control so that the various kinds of economic activities will conform with the general strategic objective of development. Hence, enlivening the microeconomy is reform and strengthening macroeconomic control is likewise reform, because these two should be closely integrated. Naturally, we cannot make the sweeping statement that strengthening in whatever manner the macroeconomic control is reform, because intervening in the macroeconomy purely for the sake of strengthening the macroeconomic control can hardly be called a reform. Only may strengthened macroeconomic control which has been integrated with enlivened or liberalized microeconomic control be considered reform; in particular, only the transition of the macroeconomy gradually from being directly controlled to being indirectly controlled is more in compliance with the meaning of a reform. For example, as seen from the general trend of development, the macroeconomic control in our country has gradually begun shifting from a mechanism directly controlling the distribution and allocation of resources to a controlling mechanism which takes control of demand as the nucleus and financial and credit and loan measures as the main body. At present in the employment of financial and credit and loan measures, the main point is target and volume control. Following the progress of the reform of the economic structure, a shift will gradually be made to using indirect economic measures during the transition, that is, from volume control during transition to principally

control through the use of economic parameters (particularly interest rate and exchange rate).

Certain economically developed countries have frequently employed financial and monetary policies as the chief weapons in macroeconomic control. In this connection, many experiences may be cited. For example, the following may be mentioned: Through lowering the interest rate and liberalizing credits and loans, investment and economic growth can be stimulated, while by raising the interest rate and tightening the money market, the overly rapid growth of investment and demand can be checked; strict control over the volume of supply of money is employed to counter monetary inflation and to control the rise in the general level of commodity prices; through increasing financial expenditures, reducing taxes, and providing subsidies, demand and economic development can be stimulated, while retrenchment in financial outlay and realizing a balanced budget or a budget surplus can check the overgrowth in demand, and so on. All of the above are well worth our studying and copying, because they reflect the internal regulatory character of the workings of a highly socialized commodity economy. We should also attach importance to the functions of financial and monetary policies and to their regulation mechanism and realize an overall balance in finance, credit and loan, foreign exchange, and material resources. In particular, we should rectify the long-standing practice of the finance department unconditionally making overdrafts from banks (since this can make the monetary policy become subordinated to the financial policy and may bring about currency inflation in the event of the budget being in the red). We should also rectify the practice of generally treating the loan and credit balances as the basis for issuing more banknotes and overcome the drawbacks of financial overallocation and credit inflation arising therefrom. According to the experiences in economic development in our country over many years, to achieve an effective control of the macroeconomy it is necessary to adopt for a length of time a tightened financial policy and achieve a balanced budget so as to do a good job in checking the overgrowth of the social gross demand. In particular, our country does not have a developed currency market and we have to frequently rely on issuing more banknotes to meet red figures in the state budget, thus easily leading to currency inflation. As for the currency policy, it may be determined according to the concrete conditions. It may be tightened a little in the event of the demand being generally inflated, but in order to stimulate a growth in the social gross demand and to enliven the national economy, it may be liberalized a little. The central bank may, by means of lowering the rediscount rate, cause a drop in the general level of interest rates and increase the supply of money. In short, if only we can gradually grasp the internal laws of the workings of the commodity economy and are skilled in the use of financial and currency policies and in coordinating them with other policies such as foreign trade policy, income distribution policy, and so forth, we can integrate well the liberalization of the micro-economy and restriction of the macroeconomy, toward the goal of generally putting the socialist commodity economy onto the path of planned development and avoiding the state of anarchism and the recurring economic crises of a capitalist commodity economy.

The macroeconomic control enforced by socialist states over the development of the commodity economy should also include such contents as enforcing the principle of distribution according to work in the allocation of income and of generally taking the road of effecting affluence for all. The development of commodity relations not only signifies the existence of economic disparity but also naturally widens the economic disparity. This is the natural result generated by the law of value in commodity production. Development of a socialist commodity economy will naturally make a portion of the people become rich before others. Concurrently, it is necessary for us to adopt an appropriate policy and measures to prevent the phenomenon of dissension among the classes of people. However, we cannot resort to restricting the growth of the commodity economy for the purpose of arresting the widening of economic disparity, such as taking measures of differential pricing and abolition of the conditions of competition on an equal footing. Rather, we should insist on setting up a unified market and on the principles of exchanges at equal value and balanced competition, and display the function of survival of the fittest of the law of value. Concurrently, it is necessary to adopt appropriate policies affecting the distribution of income such as salaries, wages and bonuses policy, taxation policy, and so forth, so as to appropriately adjust and regulate the workers' income level in different enterprises, departments, and regions. On the one hand, disparity should be recognized, and on the other hand income disparity should be controlled within a scope which reflects differences in the labor contributions and ensures that the socialist public ownership system occupies a dominant position in the national economy. By so doing, socialist commodity economy can attain even better development in the new structure, the enthusiasm of the working masses of the whole country can be fully aroused, and the intrinsic superior nature of the socialist economic system can be fully displayed.

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WHY IS IT THAT DEVELOPING LATERAL ECONOMIC ALLIANCES CAN ENHANCE SOCIAL ECONOMIC RESULTS AND PROMOTE THE REFORM OF THE ECONOMIC STRUCTURE?

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 43-45

[Article by Yi Jie [0001 0094]]

[Text] In the last few years, with the encouragement of urban economic structural reforms, there has been speedy development of various types of economic alliance between enterprises, regions, and industries. Because they conform with the demands of the objective patterns of modern socialized large-scale production and the socialist commodity economy, they play a strong promotional role in the improvement of social economic results, and the deepening of economic structural reforms. Seen first from the angle of improving social economic results, they have the following main advantages:

First, the development of lateral economic alliances will help in the specialized coordination and renewed combination of production factors within enterprises, regions, and departments, which will centralize their superiorities and form a new, stronger commodity production capacity. Marx said that cooperation could create new production forces. This is because through cooperation, it is possible to realize the combination of production factors in a greater range of space, so that latent superiorities on all sides can be brought into play, thereby greatly improving social economic results. There are great disparities in available resources, product structure, technical level and so on of the various enterprises, regions, and departments of our nation. Each has its own advantages and weak points. The strengthening of lateral economic relationships can build the superiorities and there can be mutual promotion. This will fully utilize the resources, equipment, technology and personnel forming a composite superiority. Thereby, results difficult to compare with production before the enterprises, regions, and departments linked up will be achieved. For example, the alliance of production enterprises can fully utilize factories, equipment, and personnel of enterprises participating in the alliance. The division of work can be coordinated and various component production and assembly activities can be engaged in. This will speedily expand the production of fine brand-name commodities which have a ready market. Alliances between enterprises and scientific research units can speed the popularization and application of scientific and technical results. This will spur on the technological progress of the enterprises and the overall national economy. Alliances

between production and circulation enterprises can closely link production and demand so that goods can flow freely and better satisfy the needs of consumers.

Second, the development of lateral economic alliances will be of benefit in realizing the rationalization of enterprises' organizational and production structure and regional economic structures. The old system of divisions between departments and regions ensured that the enterprises, departments, and regions proceeded from narrow individual interests. They sought to be "small but complete" or "large and complete," and at the ground level there was duplicated production and construction, resulting in a great waste of social resources. The development of various types of lateral alliances between enterprises, and implementation of the division of work based on voluntary participation and mutual benefits, can develop strong points and avoid the weak points, and create production and sales systems which are rational and highly efficient. Some can also gradually mature into enterprise groups or enterprise blocs which have advanced technology and great force. This will effectively improve research into new techniques and new products, develop capabilities and also competitive capacity, both in domestic markets and abroad. If, between raw materials production areas and processing industry centers, between coastal areas and the hinterland, and between developed and backward areas, there is close cooperation with each supplying what the other needs, it will be of benefit to promoting the development and use of natural resources, and will improve the deployment of productive forces.

Third, developing lateral economic relationships can better bring into play the role of cities as economic centers, and achieve the common prosperity of the cities and the rural areas. Large and medium-size cities are production and circulation centers and scientific and cultural centers, and in economic development they play a guiding and pivotal role. However, the old system with the divisions between departments and regions turned cities into self-sealed systems. Their comprehensive functions were greatly restricted and it was difficult for them to bring their vigor into play. Opening the city gates and widely developing lateral relationships through using the cities' powerful economic and technological strengths, and through the export of funds, technology and personnel and the spread of information and products, will support and promote the development of the many surrounding villages, and the small towns and townships. In another respect, the opening of many circulation channels will also provide a wide sales market for urban industry and this will allow ample supply of the raw and semifinished materials needed by the enterprises, and the agricultural and sideline products needed by the people in their daily lives. This will play a strong promotional role in gradually establishing new-style economic regions and economic networks where urban and rural areas are combined and industry, agriculture and commerce see comprehensive development.

Developing lateral alliances also has great significance in promoting the deepening of economic structural reforms. In basic terms, our reforms are intended to sweep away the obstacles obstructing the development of a socialist planned commodity economy. This requires that enterprises must

become commodity producers which are masters of their own operations and solely responsible for their own profits and losses. It also requires that there is an open, competitive market system which includes all types of production factors. None of this can be divorced from the full development of lateral economic alliances.

First, it will be of benefit to further strengthening enterprises' vigor and promoting the separation of administrative and enterprise functions. Under the original excessively centralized system, enterprises were appendages of administrative organs at various levels, and in production operation activities they were always subject to mandatory plans. Thus they were in a passive, powerless situation. Through horizontal economic alliances, the enterprises have voluntarily joined different types of economic alliances, gradually reducing their excessive reliance on government departments for the allocation of materials and investments. The administrative jurisdiction relationship has been weakened and the enterprises' independence and autonomy has been increased. At the same time, government departments at various levels can no longer arbitrarily interfere administratively in the economic alliance, as they did in the past. Thus, they have changed their function to management of trade and doing well in guidance, supervision and service. If things develop thus, it will be possible to finally cut the "umbilical cord" by which enterprises are attached to administrative departments. In this way, the relationship between enterprises and government departments at various levels will change into a relationship of registration and payment of taxes in accordance with the law. Enterprises will then become socialist commodity producers and operators worthy of the name, will truly have autonomy to control their operations and management and will acquire an abundance of motivation and vigor. Within the lateral alliances, the enterprises, through the mutual investment of all sorts of production factors, will form a structure where "you have mine and I have yours" and thus establish an inevitably mutually conditioning relationship. This will help in overcoming the tendency whereby some enterprises place excessive stress on immediate interests and do not pay attention to internal accumulation. This will truly promote the further perfection of socialist ownership.

Second, it will be of benefit in breaking down divisional barriers between departments and regions and in speedily forming a unified, open socialist market system. In the old system, the economy was managed through the vertical administrative system of departments and regions, which artificially carved the socialist market apart. Thus, commodities, funds, technology information, labor and other productive factors could not flow smoothly or rationally, and it was extremely difficult for the market mechanism to function normally. This resulted in ossified economic life and low efficiency. The development of lateral relationships which stretch across departments and regions will break down administrative barriers between departments and regions, and enable the various production factors to flow faster through economically rational channels, or to be reorganized. This will gradually form a unified but open socialist market system including consumer goods, the means of production, funds and technology. This will provide a wide arena for bringing enterprises' vigor into play and developing competition where the superior succeed and the inferior are eliminated.

Finally, in the process of promoting economic alliances, we must completely expose those aspects and links of the administrative system which are obstructing the development of the productive forces. This will assist in carrying out the coordinated reforms of the economic structure with definite goals in mind. Through developing lateral alliances and using the "ram and reflex" method, we can eliminate those problems in the planning system, the financial and tax systems, the banking system, the materials supply system, and in the commodity circulation system, which obstruct the alliance. Thus, we will be able to sweep a clear road for the great development of the socialist commodity economy, and continuously guide overall reform of the economic structure toward greater depth.

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WHY IS IT SAID THAT ECONOMIC RESULTS CAN BE BASICALLY IMPROVED ONLY BY  
PERFECTING THE SOCIALIST MARKET SYSTEM?

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 45-46

[Article by Yu Houkang [0151 0624 1660]]

[Text] The socialist market system includes the consumer product market, the means of production market, the funds market and the technology market and is a market system which, under state planned guidance and management, has public ownership of the means of production as a base and the whole-people ownership economy as the dominant part and in which various forms of ownership and diverse operational forms exist together. Establishing and perfecting a socialist market system is an objective demand for developing the socialist commodity economy and a necessary requirement for basically improving enterprises and social economic results.

First, establishing and perfecting a socialist market system can fully develop commodity production and commodity exchange and increase the vigor of enterprises. As enterprises are relatively independent socialist producers and operators responsible for their own operations and their own profits and losses, their production and operational activities cannot be divorced from the market. This is especially so in the situation where the state is further reducing the number and amounts of products subject to unified allocation and transfer and the role of the market is increasing. Whether circulation channels are unimpeded, whether market information feedback is sensitive, whether the raw materials, funds and technology needed in production can be obtained in a timely way and so on are all decisive in whether the scale of enterprises production operations and their economic results are high or low. In the former situation where there were divisions between departments and regions and there were mutual blockades, because circulation channels were blocked and information was not sensitive, it often gave rise to the phenomena of one area stockpiling a product while other areas lacked it, where one area had trouble selling a product and other areas had trouble buying it. This affected the vigor and economic results of enterprises. Perfecting a socialist market system can break through the divisions and blockades between departments and regions so that there is an open situation between cities and rural areas and between regions, and so that commodities, funds, technology, information and personnel can flow rationally, thereby strengthening the production and

operational vigor of enterprises. A socialist commodity market is also competitive. In a competitive market the various enterprises, in order to ensure that they get into a beneficial position, must put all their efforts into improving production technology and operations management, must improve efficiency, reduce costs, improve quality, increase varieties and types [of products] and strive to accord with the diverse, ever-changing social needs. In this way, it will be possible to both improve the economic results of enterprises and also promote technological progress and increase social wealth.

Second, establishing and perfecting a socialist market system will be of assistance in developing horizontal economic relationships, in improving the economic structure and in regional deployment. Developing commodity production and commodity exchange requires horizontal economic relationships. Under commodity economy conditions, the horizontal economic relationships between regions, between departments and between enterprises are carried on through the market. The establishment and perfection of a socialist market system will play a great promotional role in strengthening horizontal economic relationships between urban and rural areas, between regions, between departments and between enterprises. This is especially so of carrying out cooperation and alliances to different degrees and in different ways across departments, across regions and across trades in accordance with the principles of stressing strong points and avoiding weak points, mutual benefits and common development. This will allow production factors to be joined up and used in the best ways and will be of benefit in the rationalization of the economic structure and regional deployment, thus promoting the socialization of production. As an alliance is a rearrangement of production factors, it requires a flow of commodities, funds, information, personnel and technology. Only by continually expanding the consumer products market and the means of production market, gradually opening up and establishing fund markets and technology markets and promoting the rational flow of labor will it be possible to accord with these requirements.

Third, establishing and perfecting a socialist market system will also be of benefit in state planned guidance and macroeconomic regulation. The more enlivened the economy, the more important it is to pay attention to planned guidance and macroeconomic regulation, to linking up enterprises' motivation and enthusiasm for production operations with overall national economic interests, and to achieving a situation where major matters are managed tightly and well and in minor matters there is freedom and vigor. State management of enterprises is gradually changing from mainly direct control to mainly indirect control, and the various economic levers for planned guidance and macroeconomic control are being used in accordance with the law of value. Only by establishing and perfecting the socialist market system will it be possible to effectively use economic levers to transfer the requirements of macroeconomic planning to enterprises, and at the same time have enterprises react sensitively to the information passed on by the economic levers. Pricing is an effective economic measure in macroeconomic control, but there is also the need for it to be coordinated with taxation, interest rates, wages and other economic measures. Thus, we not only need a

consumer product market but also need a funds market, a technology market, and a rational flow of labor. Only thus will it be possible to have these economic levers really playing a regulatory role and will be able to realize the aim of improving economic results.

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ON 'THE HOME OF CADRES'

Beijing RED FLAG in Chinese No 10, 16 May 86 p 47

[Article by Jiang Yuan [3068 3104]]

[Text] Comrade Luo Ronghuan said when he was director of the Cadre Department of the Central Military Commission that the Cadre Department should be a "home of cadres." In those years, that was how things stood. The cadre departments at all levels were responsible not only for the appointment, transfer, and removal of cadres, but were also concerned with cadres' work and thinking. They even paid more attention to the latter, and took initiative to help cadres resolve many actual difficulties. It is a pity that the character of this "home" later changed. The continual political movements turned the cadre departments into the "frontline of class struggle." During the "Cultural Revolution," they were busy checking cadres' personal and family backgrounds and preparing materials for political purges. The cadre departments were so feared that cadres simply shunned mentioning them. As some people said, "If the cadre department tries to contact you, you must have got into trouble." So, no people still regarded the cadre departments as the "home of cadres."

In recent years, the cadre departments have done a great deal of work in redressing the wrongs done against many cadres and in implementing the party's policies toward cadres. They have been restoring their prestige among the cadres. However, in some units, people still stand in awe of the cadre departments, which remain rather bureaucratic in their work and do not act as the "home of cadres." Now, as there are no political movements, some comrades of the cadre departments are not so busy. They deal merely with the routine affairs of appointing cadres and assessing cadres' work, but they seem uninterested in taking good care of the cadres and showing concern for their work and lives. They do not take the initiative in helping cadres resolve their difficulties. Even when cadres come to seek their help, they still refuse to lend them a hand, but simply turn them away by using some high-flown words and affecting a high moral tone. Some people in the cadre departments even think that helping cadres resolve their actual difficulties will go against the party spirit and may be regarded as a kind of unhealthy tendency.

I once heard about a middle-aged cadre's complaint: I have too large a family to take care of. I have my old parents and children, and my wife is in poor health. So, I want to be transferred to a work post closer to my house so that I can more easily take care of my family. I have found a unit that is willing to give me a job, and my original unit is also willing to let me go. If I can be transferred to the new work post, that will be beneficial to both my personal interests and public interests. But the cadre department in charge does not approve this transfer. They told me: You are a cadre, so you should set strict demands on yourself. A lot of people also have difficulties in their lives! I have no other way but to go here and there to seek influential people for help. Saying this, this man's eyes were brimming with tears. Such cadre departments do not fulfill their duties, but they simply act as "doorkeepers" who close the front door and force people to go through the "back doors." Their attitude is completely unreasonable.

Of course, most comrades in charge of cadre affairs are willing to help cadres resolve their difficulties. However, some of these comrades are afraid of being criticized for "trying to set up connections and find favor with other people so as to gain selfish benefit." Such gossip is a fearful thing. So they simply refuse to help the cadres who need their help, and think that this may leave them a good reputation of "being able to maintain principles." However, they have thus confused the right and the wrong.

Some units that are now in urgent need of talents can easily find qualified people and attract them there as long as some actual problems are resolved properly. However, some leaders or departments in charge in the units in which many talented people want to quit or have been attracted to other units do not review and improve their own personnel work, but simply censure the cadres for "being easy to change their minds when seeing something new" and criticize other units for "cutting the ground from under their feet." This phenomenon is really lamentable.

It is true that the unhealthy tendencies are detestable, because they are harmful to the state and the people. However, when we take action to correct the unhealthy tendencies, it is necessary to draw a clear line of demarcation on some concrete issues. For example, we advocated in the past that our comrades who handle cadre affairs should "understand cadres, show concern for cadres, and help cadres." This was criticized and labeled "bourgeois humanitarianism" during the "Cultural Revolution." In fact, it represents the fine tradition of our party. All of our work should serve the purpose of arousing people's enthusiasm and initiative, and our work concerning cadres should also serve this purpose. The unhealthy tendencies in society are closely related to the incorrect party style. Bureaucratism is a main demonstration of the incorrect party style. So, overcoming bureaucratism is an indispensable part of our efforts to correct the unhealthy tendencies. If we do so, our cadre departments will again become the warm "home of cadres."

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UNHEALTHY TRENDS PRODUCE A NEW 'MAN FROM QI'--READING THE NOVEL 'DINNER GUEST'

Beijing RED FLAG in Chinese No 10, 16 May 86 p 48

[Book review by Lan Ling [5663 5044]; "Dinner Guest" was carried in YALUJIANG No 3, 1986]

[Text] China's food and drink is a culture. This culture also has creators (chefs) and admirers (diners). The skills of chefs vary from high to low. Those with the best skills are referred to as experts. They become NPC or CPPCC delegates and go down in history. The tastes of the diners also vary from high to low, and their number greatly exceeds the number of chefs. However, who has seen a person participate in an important meeting, with the qualification of diner? Likewise no histories have real-life accounts of diners.

When diners have entered chronicles, it has been through the pens of writers of books of anecdotes and stories, but these are much more interesting to read than the real-life accounts of chefs. In "The Gourmand" written by Lu Wenfu [7120 2429 1133], the influence of the image of the main character Zhu Zizhi is very strong. Recently, Sun Chunping [1327 2504 1627], as if making a special dish, in his novel "Dinner Guest" presents "a new gourmand" and provides the readers with new flavors. This "gourmand" is called A "C." As compared with A "Q," the shape of the letter "C" in his name is half a circle short and lacks a tail, but the base of his umbilical cord is linked to the "man from Qi" written about by Mencius. Calling him the "new man from Qi" is more appropriate than calling him the "new gourmand."

On the basis of my superficial knowledge, the dinner guest system can be divided into several levels. The largest level is that of the ordinary people. They cook something and eat it themselves. Thus, the one person has two functions. A higher level is the small number of connoisseurs. They are highly versed in food and drink matters, have an empathy with the chef and keenly appreciate his talents. The level which attracts most people's attention is that of those who have power and the upstarts. They seek delicacies from the mountains and the seas and sauces of jade and pearls so that they can satisfy themselves with rich foods, but more importantly so that they can display their extravagance. Like those war-lords who could not even understand simple characters, but who flicked through string-bound ancient classics, these people are far removed from

the culture of eating and drinking. The level most looked down upon by people is that which "eats for free," whose speciality is to go to people's places and loiter around the table where there are good things to eat, who eat when they get the chance and drink when the opportunity comes along. Thus, although they are stingy, they get enough to eat. In the rural areas, they call these people "meal chasers," and they have a status lower than that of beggars. In the cities, they are called "hangers-on," with a status between those of prostitutes and those who frequent them. Learning and using this crooked strategy is clearly not easy. First, it is necessary to be very thick-skinned and not to fear being mocked or insulted. Second, one must have very sensitive ears, so as to be able to hear which families are having weddings and funerals or are entertaining friends. Third, one must have a sharp nose, so that by standing next to a wall, one can tell what food is being prepared in the kitchen.

In the days when one had to support oneself, such gluttons would be "without sons or grandsons." Unexpectedly, in recent years, the unhealthy trend of large-scale eating and drinking has fostered a "new breed," of which A "C" is a representative. Talented people often say that talent develops through hard work, but also depends on opportunity. From my observations, it seems that low ruffians also must depend on "opportunity" to "gain fame and fortune." A "C," a purchasing agent for a supply and marketing department, lives in a newly developing seaside tourist city, and has no hopes of promotion. He has nothing much to do and is somewhat frustrated. He thinks of sneaking into the most luxurious hotel to expand his horizons. Unexpectedly, the people watching the door politely allow him in. Also, unexpectedly, he is warmly welcomed by the people hosting the banquet. Heaven provides good opportunities and one's mind then opens wide. After this, he sums up the "experiences" of going to the banquet and later, in freely going to all the major banquets, he clinks glasses with the leading cadres whom he has never met before. Who wants to examine the corruption of the unhealthy trends? One need only look at the "experiences" as summed up by A "C" to see that A "C" is a maggot produced by the unhealthy trends. If, at the various banquets, there were not the bureaucratic heads who have mouths but no eyes, there were not those who take charge of "making satisfactory arrangements," and there were not service personnel who try to get close to honored guests in order to seek private gains, then A "C" would only have been able to make a little profit at the agricultural trade market and would not have had the ability to move in such circles.

The "man from Qi" written about by Mencius always went out into the country to steal food and offerings to satisfy his craving for good food, and then would go home to his wife and concubine and boast. A "C" was initially happy to get something good to eat. But later, as he got used to the good things, "One who has enough to eat and drink tends to have wanton thoughts." Thus, he had fantasies about seducing the waitress Xiao Qin. Here, we can no longer compare him with his ancestor "the man from Qi." Who would have thought that Xiao Qin could be even more evil? She secretly found out all about A "C" and used him as a pawn, both achieving her aim of arousing her boyfriend and also giving A "C" quite a rebuff.

A "C" was rebuffed but he did not want to change. Rather, he spoke plausibly and at length, saying, "I have eaten for free this last 6 months or so. Never has there been a place set specially for me. Never did they have to add more food because I was there or did they have to reduce the food if I was not there... Do you think that the guest of honor is going to pay for this out of his own pocket?!" For A "C" these were confused words. However, the author takes these as an ending, looks at them from another angle and sees them as words of warning. Blocking an "outsider" like A "C" is easy, but the "insiders" who eat and drink for free are numerous and include the guests of honor. The intention of "Dinner Guest" is not to uncover A "C," but to reveal the "opportunities" which produce persons like A "C." Admittedly A "C" is carried away by eating, but from the lavish tables at which he was eating, did there come a delicious smell or a rotten stench? You do not really need environmental protection workers with precise instruments to answer this question.

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FOOTPRINTS OF EXPLORERS--A CRITICAL INTRODUCTION TO 'NEW LOOK FOR THE SHENZHEN SPECIAL ECONOMIC ZONE,' THE SHENZHEN VOLUME OF THE CHINESE URBAN REFORMS SERIES

Beijing RED FLAG in Chinese No 10, 16 May 86 inside back cover

[Article by Wu Xinli [0702 2450 0500]]

[Text] Shenzhen was the first special economic zone set up after our country implemented the open-door policy and it was also one of the first localities selected for carrying out reform of the economic structure in rural and urban areas. It is a city which has attracted the world's attention as well as the attention of all the people in our country. Many people at home and abroad are eager to have a further understanding about the city's situation and experience in reform. The book, "New Look for the Shenzhen Special Economic Zone" (hereinafter called "New Look") which is jointly edited by RED FLAG and Shenzhen city, can satisfy the people's desires in this respect.

"New Look" gives an overall account of the major changes in every aspect of Shenzhen. With various pictures and articles, the book tells about tremendous achievements in urban construction, industry, commerce, finance, agriculture, animal husbandry, the building trade, tourism, and other sectors. From these achievements, we will see how the people and cadres of the special economic zone have been exploring ways of building the special economic zone under the guidance of the policy: "Special ways for handling affairs of the special economic zones are new ways for handling new affairs. The stand remains unchanged, but the methods should be entirely new."

In the past, people's understanding of Shenzhen was often confined to the building of material civilization and not much was known about its building of spiritual civilization. However, energetically developing its culture and training people with a new mental attitude and ethical values are precisely important aspects of its experience in accelerating its construction, and are also important reasons why Shenzhen has been able to make such tremendous achievements in building material civilization. "New Look" has devoted much space to introducing Shenzhen's simultaneous development in material and spiritual civilization. It tells how many new trades and enterprises have grown out of nothing in the modernization of the special economic zone. It also relates a similar process in the development of its literature and art, physical culture, broadcasting, and television services, and how these undertakings have developed and flourished with the development of its

commerce, industry, and agriculture, particularly through introducing its fishing villages, which are the most prosperous in the whole country, the book has shown us that the differences between workers and peasants, and the differences between town and country, are diminishing, and that entrepreneurs, good at managing enterprises, and various specialized people with talent are maturing.

"New Look" has used a large quantity of data and statistical figures to show the tremendous changes which have taken place in the past few years since the setting up of the special economic zone. The book also contains several hundred excellent color photos. The readers will find that this book very well fulfills both artistic and scientific requirements, and also gives a true picture of Shenzhen's achievements.

Shenzhen has embarked on the road to reform and opening to the outside world earlier than other cities. Without any experience which can be used as a reference, the people of Shenzhen have taken "a brave step forward" while exploring. This is of great significance. Blocks of buildings and factories have grown out of former barren beaches. This former poverty-stricken border town has developed into a modern city of considerable size. This fact alone demonstrates the tremendous achievements of reform. Of course, since the city has advanced while making exploration, there are found to be great difficulties and avoidable mistakes. However, many of their experiences and lessons are valuable to all the people of our country who are advancing along the broad road of reform. "New Look," as a factual record of the footprints of pioneers in reform, will arouse great interest in the broad masses of readers at home and abroad.

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